

Sept 23, 1980

LE: Frenchman
73-Day Alibi

OTHER — PARIS: Tuesday, cloudy, possible rain.
LONDON: Tuesday, cloudy with rain.
NEW YORK: Tuesday, showers.
NEW YORK: Tuesday, cloudy, 11-27

ADDITIONAL WEATHER DATA — PAGE 2

INTERNATIONAL Herald Tribune

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PARIS, TUESDAY, SEPTEMBER 23, 1980

Established 1887



Anderson, left, and Ronald Reagan, center, make their presidential debate in Baltimore. President Carter returning from a weekend at the Camp David retreat in Maryland to the White House to watch the televised debate.

Reagan, Anderson Define Their Differences Debate Contrasts Philosophies; Sharpest Clash Is Over Abortion

By Hedrick Smith
New York Times Service
BALTIMORE — Ronald Anderson and John Anderson, on abortion, tax cuts, energy, the mobile missile and government in revitalizing the first 1980 presidential debate, but they made only one sharp clash over the issue of the mobile missile.

Anderson, who was selected by a coin toss to answer first, declared that an election-year tax cut, as proposed by Mr. Reagan, would be a "disaster" for the economy.

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Reagan Weighed Bold Move Of 1-on-1 Carter Debate

By Hedrick Smith
New York Times Service
BALTIMORE — The dominant figure in the presidential debate here was the candidate who did not attend, and the most important political development was played out behind the scenes, unknown to the nationwide television audience and the witnesses in the convention center here.

Both Ronald Reagan, the Republican presidential nominee, and John Anderson, the independent candidate, jabbed fitfully at President Carter for his boycotting of the League of Women Voters debate. But in the end, culminating a private strategic argument within his staff, Mr. Reagan decided not to end the one-hour debate by hurling a dramatic challenge for Mr. Carter to meet him in a one-on-one debate at a time and place of the president's choosing.

It was a case of the hawks on the Reagan staff losing out to the doves, according to a Reagan campaign source. The plan for Mr. Reagan to cast aside his insistence on three-way debates and offer to meet Mr. Carter alone surfaced late last week during planning sessions at the Reagan campaign headquarters in Arlington, Va., and at the candidate's home in the Virginia countryside, the source said.

For a time, key campaign figures, including Edwin Meese III, the chief of staff, and Richard Wirthlin, Mr. Reagan's pollster, were leaning toward the bold proposal designed to take the battle to Mr. Carter and portray him as an incumbent fearful of defending his record under any circumstance. However, Mr. Reagan finally sided with other advisers whose "attitude is why-take-a-risk," said a Reagan campaign official.

U.S. Nuclear Requests Blocked by U.S.

By Leonard Downie Jr.
Washington Post Service
The Carter administration has blocked a request by the Swiss government to allow the sale of nuclear fuel to India, a move that would have been a significant step in the development of nuclear energy in that country.

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Bokassa Gem Affair Comes Back at Giscard

By Ronald Koven
Washington Post Service
PARIS — The diamonds that Jean Bedel Bokassa, Central Africa's deposed emperor, gave to President Valéry Giscard d'Estaing of France have come back to haunt the French leader.

The French presidential palace said during the weekend, to general surprise, that it had obtained copies of letters from Mr. Bokassa that confirm the authenticity of a recent long-distance telephone conversation in which he confirmed, for the first time, his backing for the documented press allegations about his gifts of gems to Mr. Giscard d'Estaing and his family.

The French president has never denied receiving the diamonds, just that they were not worth the large amounts the press said they were.

The phone conversation is the first time Mr. Bokassa has been able to speak out directly in a year of virtual house arrest in the Ivory Coast. The conversation with the investigative and satirical weekly Canard Enchaîné, which first carried the allegations about Mr. Bokassa's diamonds, and the subsequent fallout have revived an affair that seemed to have petered out despite the approach of Mr. Giscard d'Estaing's campaign for re-election next spring.

"You cannot imagine what I gave to that family. I assure you that you can't imagine," the Canard quoted Mr. Bokassa as saying. The former emperor said he had given di-

Potential Threat to Oil Supplies Iraq Bombs Iranian Airfields In New Escalation of Conflict

From Agency Dispatches
BAGHDAD — Iraqi planes bombed Tehran's airport, eight other Iranian airfields and two radar stations Monday in attacks 12 hours apart after Iraq announced that it will try to destroy all Iranian military bases.

Iraq's escalation of the fighting brought the two countries close to full-scale war and caused growing Western alarm about the potential threat to Gulf oil supplies.

There has been no formal declaration of war by either government, but Iraq declared its coastal waters a war zone.

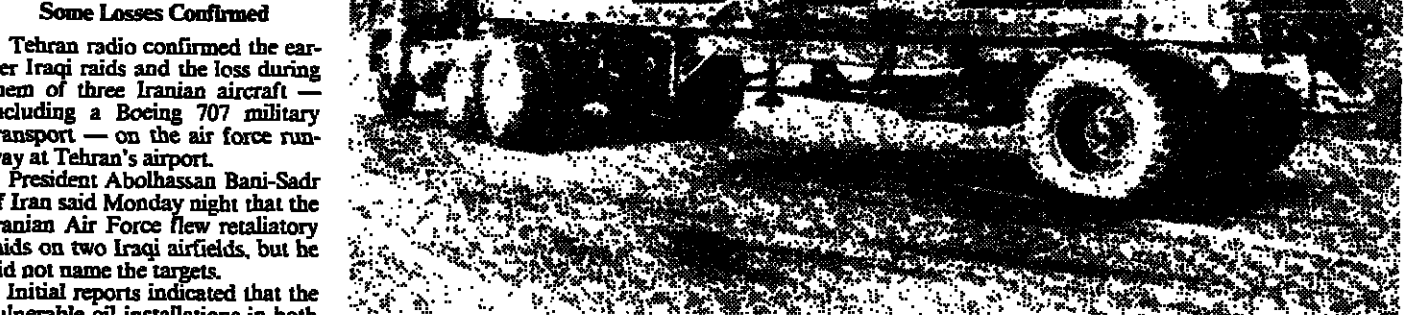
Iraqi air defenses apparently put up little resistance against the Iraqi air raids deep in Iranian territory, and Western defense analysts said that Iran's military strength apparently has deteriorated sharply under the regime of Ayatollah Khomeini.

Monday night, Iraqi planes attacked deep into Iran for the second time, with a bombing run over five blacked-out Iranian airfields and the two early warning radar stations at Dehloran and Naft-e-Shah, Iraq's government-run news agency said. It said six Iranian jets were downed and three Iranian pilots were captured during the mission.

Localized clashes reportedly continued along the Shatt-al-Arab. Iraq claimed that it had sunk another Iranian gunboat.

Other reports said that a fire broke out briefly in a storage tank at Iran's major oil refinery, nearby at Abadan. In this Iranian region, which Arabs call "Arabistan," several government facilities were rocked by separatist guerrillas, according to the Iraqi news agency.

Despite their dislike of Ayatollah Khomeini's regime and their interest in seeing it weakened, most foreign governments — including Arab governments in the Gulf, and the United States and (Continued on Page 2, Col. 4)



An Air Force flatbed truck leaves the Titan missile site in Damascus, Ark., on Monday carrying what was widely believed to be a nuclear warhead blown clear of a missile during an explosion on Friday. The Air Force, however, has refused to confirm or deny that the missile was armed.

Brown Orders Titan-2 Safety Recheck, Says MX Missile Will Be Replacement

By Walter Pincus
Washington Post Service
WASHINGTON — Defense Secretary Harold Brown has ordered the Air Force to re-examine the safety of the entire Titan-2 missile system, less than six months after a congressional mandated study declared the missile safe.

The Air Force concluded in that study, released last May, that the system was better than when it was deployed originally 18 years ago.

Mr. Brown, who said he ordered the re-examination after talking with President Carter, said his office would review the Air Force findings this time.

MX as Replacement
Mr. Brown also announced Sunday that the Titans are scheduled to be replaced by the solid-fueled MX missile. The MX is not expected to start being deployed until 1986. At that point, the Titans, which originally were designed to last 10 years, will have been operational for 25 years.

The accident Friday at the Titan site near Damascus, Ark., presented a new problem for Air Force officers trying to keep the aged, liquid-fueled missile system operational.

According to sources familiar with the Titan, it was the first time there had been a major leak of its volatile fuel, Aerozine-50.

Two major Titan accidents in 1978 — which caused the death of two airmen and injured more than 30 others — stemmed from leaks of nitrogen tetroxide, the oxidizer that is mixed with the fuel to provide the missile's propellant force.

India Institutes Detention Law

By New Delhi — The Indian government of Prime Minister Indira Gandhi Monday night gave itself wide powers of arrest and detention said to be needed for the security and defense of the country and to ensure public order, essential supplies and services.

A national security ordinance by President Sanjivan Reddy gave the federal and 22 state governments the right to detain a person for up to 12 months without trial. An official statement said the ordinance was necessary due to growing social tensions.

The ordinance contains safeguards for the rights of detainees, in contrast to 1975-77 emergency powers assumed by Mrs. Gandhi before she was voted out of office in March, 1977.

Taiwan Relaxes Control Over News About China

By New York Times Service
TAIPEI — Using television and newspapers, the Taiwanese government has gradually begun to relax its tight control on dispensing information about China.

Films about China are now occasionally shown on the Taiwanese television network's news shows. One program, a weekly show called "60 Minutes," has featured documentaries about life in China.

"It is a major breakthrough," said the program's producer, Chang Hsu-hua. "A few years ago, who could imagine that visual images of Mao Tse-tung and Hua Guofeng would appear in our living rooms?"

The documentaries about such places as Shanghai, Manchuria and Tibet are usually the work of Western or Japanese television crews and are purchased by the Taiwanese network. The rating of "60 Minutes" went up more than 50 percent when it featured reports about China.

The China Times, the largest circulation Chinese-language newspaper here, has carried a series about life in China by a Chinese-American who recently toured the country. Despite what seemed to be an occasionally condescending tone, the series gave vivid descriptions of such diverse aspects of life in China as religion, railroads, population control and toilet facilities.

All the reports were highly selective and closely edited. They avoided optimistic scenes, emphasizing the ragged-clothed farmers, the young dissidents and the generally gray surroundings. Nevertheless, they presented more of life across the Formosa Strait than most people here have seen in many years.

Address to UN

Muskie Offers Iran New Hostage Plan

From Agency Dispatches
UNITED NATIONS — Secretary of State Edmund Muskie Monday laid out a U.S. proposal to Iran for the release of the 52 American hostages.

"We are prepared to do our part in resolving fairly the issues between us," Mr. Muskie told the UN General Assembly in a speech given as the annual U.S. address to the assembly.

"When the safe return of all the hostages to their families is assured, we are prepared to deal on a basis of mutual respect and equality with all the outstanding issues and misunderstandings between Iran and the United States to reach understandings on the principles which will govern our relationship," Mr. Muskie said in language that was more specific than any previous public statements about the possibility of settling the crisis.

There was no immediate reaction to his remarks from Tehran where members of the Iranian Majlis (parliament) visited the U.S. Embassy and inspected various parts "of the spy nest and observed from close quarters U.S. espionage equipment," Tehran Radio reported.

Mr. Muskie also called on the United Nations to focus pressure on the Soviet Union to withdraw

from Afghanistan and he pledged that the United States will move forward on ratification of the SALT-2 treaty "as speedily as possible."

Mr. Muskie's careful language appeared to suggest a sequence in which Iran would first pledge to release the hostages. This could be followed by the convening of an international forum, perhaps by the United Nations, in which Iran's grievances would be aired and the United States would pledge noninterference in Iran's affairs.

UN Measures Urged
Mr. Muskie called on the UN General Assembly to support the hostages' prompt release and to adopt effective measures to protect diplomats everywhere from terrorism.

He said the United States would drop its sanctions against Iran and "do our part in resolving fairly the issues between us" once the 52 Americans, held captive since Nov. 4, are sent home.

At the same time, he did not yield to Iranian leaders' demands for an apology by the United States for its policies in Iran during the reign of the late shah.

The speaker of the Majlis, Hashemi Rafsanjani, declared Monday that the legislature will decide on the fate of the 52 U.S. hostages "only when demands are met by the U.S., especially our demand for the return of the shah's wealth which was put forward by Imam [Ayatollah Ruhollah] Khomeini, and the Majlis will insist on that."

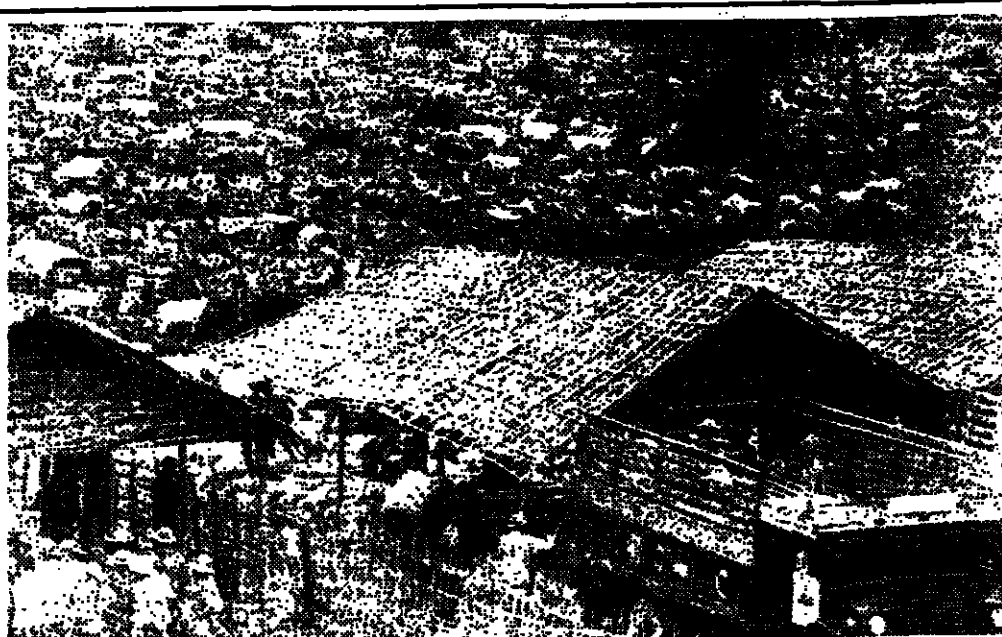
He added that "the Iraqi attack against Iran is a part of U.S. plot" and that "the Iranian-Iraqi war will not be without effect on the fate of the hostages."

Mr. Rafsanjani said he delivered 27 letters from the hostages' families, which he ordered to be handed to the captives, but he said 30 parliamentary deputies who visited the U.S. Embassy in Tehran for three hours Monday did not meet the Americans.

Mr. Muskie did not request any specific UN action. And while U.S. officials did not rule out a formal move by the world body, they said they were not aware of a new U.S. initiative.

Mr. Muskie did not mention the conflict between Iran and Iraq. The officials said the United States was not taking sides but hoped for a peaceful settlement.

The secretary of state condemned the Soviet intervention in Afghanistan and the occupation of Cambodia by Soviet-backed Vietnamese troops. He called for withdrawal by the Red Army from Afghanistan and a political settlement guaranteeing the country's nonalignment.



WAITING FOR SUPPLIES — Hundreds of Cambodians from inside Cambodia wait with their ox carts at Nong Chan refugee camp on the Thai-Cambodian border to receive food supplies which are being distributed by the United Nations International Children's Fund.

Swiss Nuclear Requests Blocked by U.S.

(Continued from Page 1)

that the U.S. law might require that the Swiss license requests be refused.

Switzerland needs the licenses to transfer the spent nuclear fuel and reprocessed plutonium, because they are derived from fuel that Switzerland bought from the United States. Switzerland generates about 30 percent of its electricity with nuclear reactors and buys the vast majority of its nuclear fuel from the United States.

Under the nonproliferation treaty and U.S. law and agreements designed to prevent the spread of nuclear weapons, any nation buying U.S. nuclear fuel or technology must not transfer or sell it or any derivative to another country without U.S. permission.

The Carter administration has tried at home and internationally to discourage the development of reprocessing plants and fast-breeder reactors which while generating electricity "free" more plutonium than they consume. The White House has argued that, if plutonium proliferates, it will be easier to divert to, or be stolen by, non-nuclear nations or even terrorists for use in bombs.

The Carter administration had approved previous Swiss requests for licenses to transfer used nuclear fuel to France and Britain for reprocessing. But the White House has been stalling for nearly two years on the Swiss request to sell plutonium to Italy because it has been unable to make a policy decision about whether it should allow any plutonium transfers at all.

The Carter administration more recently decided to hold up action on all the pending Swiss license requests because of new evidence that the Swiss government has allowed five Swiss firms to continue supplying Pakistan with technology that could produce nuclear material for bombs.

After Assistant Secretary of State Thomas Pickering formally

complained about this a few weeks ago to the Swiss ambassador in Washington, the State Department informed the Swiss government that it was holding up action on licenses at least until Swiss officials satisfied the latest U.S. concerns about Swiss exports of nuclear technology to Pakistan.

U.S. Act

The U.S. Nonproliferation Act of 1978 states that U.S. nuclear exports and cooperation should be terminated to any nation found by the president, to have "assisted, encouraged or induced any non-nuclear weapons state to engage in activities" involving nuclear materials that constitute "a direct, significant cause for the manufacture or acquisition of nuclear explosive devices and has failed to take steps, which in the president's judgment, represent significant progress toward terminating such assistance."

Swiss officials have been careful to make several distinctions concerning the exports of technology to Pakistan: the Swiss government has not recognized as a matter of policy that Pakistan is trying to develop nuclear weapons; it has no way of being certain if this is the purpose of Pakistan's purchases; the technology involved has a variety of applications besides the uranium enrichment process Pakistan is apparently developing to produce nuclear material for bombs, and none of the components appear in international lists of technology whose export is to be curtailed.

"The Swiss have been singularly unhelpful," said a Carter administration source. "The Swiss seem to be more legalistic than other governments, and this is a very tough problem to lick. Because the fact is the Swiss are legally correct. They are living up their obligations."

Swiss Stand by Actions

GENEVA (NYT) — The Swiss government rejected Monday all suggestions that it had failed to abide by its international commitments by permitting Swiss firms to sell the nuclear equipment to Pakistan. However, there was no immediate official Swiss reaction to a report that Washington has halted all cooperation with Switzerland in the nuclear energy field.

Erwin Bischoff, a Foreign Ministry spokesman, said that Switzerland had "controlled" all exports of equipment to Pakistan to assure that none violated its obligations under the Nonproliferation Treaty or other international agreements.

Mr. Bischoff also said that none of the equipment was on the list of sensitive items that might be used to develop a nuclear weapons capability that the so-called London Club of Western industrialized nations has agreed not to export.

The spokesman said that Washington had been told that Switzerland was prepared to "negotiate an extension" of this list of nuclear materials, but that an expanded export ban would have to "apply to everyone, and not to Switzerland alone."

The Foreign Ministry indicated tonight that a statement could be expected Tuesday, and a Swiss press report from Washington said that the Swiss Embassy there had received no official notice of the suspension of U.S. collaboration.

But it was conceded at the embassy, the press report added, that requests filed with Washington by Switzerland for fuel needed for its nuclear reactors and for authorization to send spent fuel abroad for treatment are not being acted upon.

Swiss Stand by Actions

NEW YORK (AP) — The border war between Iraq and Iran apparently is not having any major impact on oil shipments from the Gulf, the area supplying 40 percent of the non-Communist world's petroleum, U.S. oil industry sources said Monday. The sources said high world oil inventories could help cushion a cutoff.

Meanwhile, Deputy Energy Secretary John Sawhill said at a Senate hearing in Washington that any halt of oil shipments from Iraq or Iran would have negligible effect on the United States. Iraq and Iran export 3.5 million barrels of crude oil daily, but only "a very small" portion of the total comes to the United States, Mr. Sawhill said. President Carter barred U.S. imports of Iranian oil after Americans were taken hostage in Tehran last year.

5 Climbers Die in Alps
MILAN — Five Italian climbers fell to their deaths in the Alps, Sunday, authorities said. According to statistics, more than 300 persons have been killed in mountain accidents in the Alps this summer.

Pretoria Termed Nuclear Capable

NEW YORK — South Africa's deputy defense minister, H.J. Coetsee, said that his nation would use nuclear weapons as a last defense measure, but he would neither confirm nor deny that South Africa has nuclear weapons.

"As a country with a nuclear capability, it would be very stupid not to use it if nuclear weapons were needed as a last resort to defend oneself," Mr. Coetsee said during an interview reported Sunday by Newsweek magazine.

When asked if his white-ruled nation held nuclear weapons, he replied: "It would be very bad nuclear philosophy to say yes or no to that." South Africa is under a United Nations arms embargo.

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WORLD NEWS BRIEF

'Christian' Embassy to Be Opened in Jerusalem

JERUSALEM — An evangelical organization Monday announced plans to establish a "Christian embassy" in Jerusalem to support Israeli government's claim on the city.

The group, called the Almond Branch Association, said that the embassy is religious and not political.

It was founded by Christian clergy and lay activists living here who said it will "express publicly the desire of millions, whom we believe are representing at this crucial time in Israel's history, that Jerusalem remain the united capital of Israel and that she shall live in that God has promised to her as an everlasting possession in an covenant with him."

Zambia Concludes Aid Pacts With 30 Nations

LUSAKA — Zambia President Kenneth Kaunda said Monday had reached about 30 aid agreements during his monthlong tour of Eastern European countries, Iraq, India and Japan. The trip ended today.

The president, at a press conference, said that the agreements and Zambia officials concluded covered such items as farm and related industries, metal fabrication and provisions for export carry out the various projects.

Murder Trial of Zimbabwe Official Delayed

JOHANNESBURG — The murder trial of Zimbabwe's minister of power and development planning, Edgar Tekere, was postponed Monday to Nov. 3 because of problems in organizing his defense.

Judge John Fittman granted the postponement of the trial to begin Tuesday at a hearing in Salisbury. Mr. Tekere's lawyers needed more time because of some financial difficulties and a British lawyer they hoped to bring to Zimbabwe to defend Mr. Tekere could not come until next month.

Mr. Tekere and seven of his former bodyguards are accused of murdering Gerald Adams during a shooting incident Aug. 4 on the Adams was managing at the time. The case is seen as a test of impartiality and fairness of the judiciary under Prime Minister Mugabe's black majority rule government.

Scheduling of Post-Madrid Conference

MADRID — Yugoslavia urged Monday that the 35-nation Conference on Security and Cooperation in Europe keep the process of setting a date and place for another meeting before adjournment.

In a move opposed by the Soviet Union, the Yugoslav delegation preparatory talks for the November conference proposed that the next meeting be placed on the conference agenda. C. sources said the United States, its Western allies, neutral and nations and Romania — which hopes to host the next conference, backed the proposal.

Western and neutral delegates said the Soviet Union opposed the move because it wanted to see the scheduling of the next conference as a point to keep the West in line.

U.S. Judge Reversed in Soviet Loading

RICHMOND, Va. — A U.S. judge reversed his authority ordered longshoremen to load a Russian-bound ship in the Hampton Roads after the Soviet military intervention in Afghanistan court ruled Monday.

The 4th U.S. Circuit Court of Appeals said that the relevant International Longshoremen's Association on Feb. 8 to load ship with 25 metric tons of grain bound for Russia may be in violation of the I.L.A. contract with shippers. It said the union's grievance with the Russians, not the shipping firms and the port operation could not have been settled by arbitration.

The appeals court ruled that U.S. District Judge Calvin, failed to take into consideration a narrow exception that limitations to issues that are arbitrable.

Zimbabwe City Reported Quiet After G

BULAWAYO, Zimbabwe — Bus services resumed and police city was quiet Monday after a weekend of political violence rival supporters of Prime Minister Robert Mugabe and his Minister Josiah Nkomo.

About 6,000 followers of Mr. Nkomo's Patriotic Front, rounded the main police station in this southwestern Zimbabwe Sunday. Three policemen were injured by stones thrown by strikers.

The demonstrators were demanding police action against gunmen who fired shots at another group of demonstrators marching toward the offices of the Chronicle newspaper. The Nkomo supporters were protesting the control of the state television by Mr. Mugabe's Zimbabwe African National Union.

Bokassa Diamond Affair Comes Back at Giscard

(Continued from Page 1)
The three conservative Paris papers owned by press lord Robert Hirschman, said that Mr. Bokassa had also given diamonds to many other French politicians but that he did not want to name them because "everyone didn't harm me."

Second Scandal
He referred at length to the growing scandal within the scandal — the imprisonment in Paris since May 10 of Roger Delpey, a writer-adventurer who was working on a book based in part on 187 documents given him by Mr. Bokassa.

Mr. Bokassa said he had talked to Mr. Delpey at length in the Ivory Coast and he knows everything from A to Z. He knows everything, everything, everything.

Mr. Delpey is a former Gaullist army officer who wrote a best-seller about the French Indochina war but mutilated against De Gaulle over Algerian independence.

The former emperor said that, while he was telling all to Mr. Delpey, his wife visited from France and warned him to stop talking. He said that when he refused, she replied, "Well, if that's the way it is, I'm telling Giscard. He'll be arrested."

Mr. Bokassa said he also gave Mr. Delpey several signed blank sheets to send letters for him to other African chiefs of state, and that he had in effect made him his agent in Europe.

Mr. Delpey was arrested while leaving the Libyan Embassy in Paris and indicted by the State Security Court on charges of gathering.

Brown Derby Wins Hollywood Reprieve
LOS ANGELES — Destruction of the Brown Derby restaurant has been halted and the Hollywood landmark was given to two preservation groups after a meeting between their representatives and the owners.

The police had served a halt order on a wrecking crew just after part of the main building was hit by a bulldozer blade. Officials said the restaurant's owners had applied for, but not yet received, a permit to tear down the building. Protesters had gathered at the site Saturday and Sunday to block efforts to demolish it.

The sources explained military is reluctant to the warhead to prevent precedent of either denying the presence weapons.

Titan Ch Is Order

(Continued from Page 1)
does not know of the then-President. Bokassa gave Soviet Premier Leonid Brezhnev, saying that the States had no intention down the Titan-2s arm them with submarine missiles.

Participants in the 19 summit, at which the took place, said recent Russians had demanded assurance because they afraid of any launched missiles than of the then 9-year-old T.

Convoy Leaves Mts
DAMASCUS, Syria — A convoy of eight military vehicles, including a tank, was seen transporting what was a nuclear warhead in a container labeled "Do Not Open" from the Syrian mountains to confirm the wide belief that a warhead was dreds of feet from the explosion last Friday.

But well-placed military in Washington confirms to The New York Times that a warhead was clear warhead. The which was unarmed, from the missile during sion, but landed intact secured area of the missile sources told The Times.

The warhead was because of its size and low; the source specul that the warhead been new ones, which are lighter, it may not have so.

The sources explained military is reluctant to the warhead to prevent precedent of either denying the presence weapons.

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APPEAL TO HELP
IRANIAN WRITERS AND ARTISTS

We urgently appeal to all intellectuals and artists of the world community to help their unfortunate Iranian brothers who have been either silenced, jailed on forced to flee the tyrannical regime of their country.

The events in today's Iran are reminiscent of the upsurge of fascism in the Europe of the thirties. A fanatical minority group, backed by hoodlums of the "lumpen proletariat" and the most backward and illiterate layers of the population, make use of terrorist and intimidation methods, disguised in the garb of religion, in order to impose a merciless dictatorship upon thirty five millions of Iranians. The henchmen of the regime are destroying schools, universities and libraries, they make bonfires from books. They ransack printing plants and arrest writers and journalists. Music, singing and painting is banned. Theaters and cinemas are left to operate as loud-speakers of the regimes' relentless propaganda.

In the meantime, the judicial apparatus has been dismantled and replaced by a parody of on-the-spot justice abusively qualified as "Islamic". So called "official" executions, without taking into account unreported violence are taking a heavy toll each passing day on dozens and dozens of Iranians. All pretexts are valid for the executioners: drug trafficking, homosexuality, adultery, prosexenism, collaboration with the previous regime, opposition to the present regime, backing Zionism, spying for Israel, cooperation with American or Soviet imperialism, contamination by western culture, battling against God etc.

Briefly, in the name of an official ideology the regime suppresses systematically all opposition. Wasn't that the corner stone of Mussolinian fascism and Hitlerian nazism? All the characteristics and specific traits of fascism and nazism are present in the theocratic regime of Tehran; from intolerance to pitiless repression, from racism to the extermination of minorities qualified as satanic (Kurds, Turcomen, Azerbaijanis, Arabs, Jews, Bahais, Christians, Zoroastrians etc.).

Further to this appeal and in the like manner, we warn all countries of the world, that the survival of the Iranian "Islamic" fascism is a direct threat to the future of our entire planet. For, as their western forerunners, the fascist regime of Tehran can only stay in power by exporting its so-called "revolution".

During the thirties, Hitler and Mussolini banked upon the passivity of Europe as well as the rest of the world. The concessions, hesitations and finally accommodations by some Chamberlains and Daladier encouraged the fanatics of Berlin and Rome and delayed war and genocide by only a single year! Already packs of killers and agents of subversion from Tehran have joined, a bit everywhere, those of other specialists of international terrorism.

Actually, by defending Iranian intellectuals and artists, all those who make of human rights their motto, throughout the world, will also vindicate and support the heritage of universal civilization including the true contribution of Islam.

We beseech all intellectuals and artists of the world to denounce those who with impunity have up to now deposed the Quran into a vulgar "Mein Kampf" desecrating Islam and reducing it into a totalitarian and backward doctrine.

We ask them to act while the time is still ripe, to oppose against a reincarnation of fascism in the guise of a populist religious movement.

We invite them to join their efforts to ours in order to restore freedom of speech and expression in Iran.

The Iran Committee for Democratic Action
and Human Rights
writers and artists section

Box 48
Kelly Bldg. 5826 South University Ave.
Chicago, Illinois 60637.

مجلس الامم المتحدة

Ankara Cabinet Meets

New Turkey Premier vows to Stop Terror

Thomas L. Friedman
United Press International
 ANKARA — Turkey's new premier, Bulent Uslu, began his office Monday with a pledge to eradicate terrorism. Uslu continued his nationwide tour on suspected terrorists.

Uslu's first day on the job was marked by a symbolic act: he ordered the arrest of 27 members of the 77 members of his cabinet, the 57-member parliament and military officials. Uslu said he would "take all judicial and administrative measures to remove the terrorism from the Turkish nation."

Uslu's address to his cabinet of technical officers and politicians occurred amid another round of arrests.

by Turkey's martial law authorities, who have been given greatly expanded powers to strike at political militants.

Martial law officials said Monday that 498 persons were detained Sunday in six central Turkish cities — all of them strongholds of Moslem fundamentalism.

Sources close to the junta said similar roundups were taking place all across Turkey, in particular the eastern half of the country.

It is impossible to obtain exact figures for the number of people being held in the army's custody, but sources close to the junta said the number is well over 2,000.

It is still not clear what the army intends to do with those being held. Some are being questioned and released, others are told to "stay in touch."

Trials Expected

Many of them are expected eventually to be tried for political offenses or for involvement in violent political activities.

Following the morning Cabinet meeting, Adm. Uslu and his ministers climbed the highest hill in Ankara and laid a wreath at the huge, marble tomb of Kemal Ataturk — the founder of modern Turkey and the guiding light of the five-man ruling junta.

The diminutive, graying premier, who until last month commanded the Turkish fleet, wrote in the guest book at the Ataturk mausoleum: "We state that following the directions and ideals our leader has laid down for us, and with the unity and strength of our nation, we will work together."

Later, Adm. Uslu led his Cabinet on their final symbolic chore, a courtesy call on Turkey's new head of state — Gen. Kenan Evren, chief of staff and leader of the junta.

Gen. Evren received the Cabinet at the presidential palace overlooking the capital, although he himself has not taken up residence there.

Turkey's former acting president, Ihsan Sabri Caglayangi, was deposed by the army in the Sept. 12 coup d'etat, along with the rest of the civilian government.

ens Probing

struction of

ple's Walls

New York Times Service
 ANKARA — The Ministry of Culture has ordered an investigation into the alleged destruction of a 1,000-year-old temple so that a new principal could build a home.

A ministry spokesman said last night that the investigation was being conducted by archaeologists and officials of the Ministry of Culture. The spokesman said the temple was at Tomba on the largest Greek island, and that the investigation was begun after a 1960s report that the remaining stone walls, some about 900 B.C., had been destroyed by an excavation. The walls were believed to have been part of the early Greek temple.

He said that a building permit had been mistakenly issued for a school and the local official service had halted the excavation.

3 Politicians Freed

By Zia in Pakistan

The Associated Press
 KARACHI, Pakistan — The martial law regime of President Mohammad Zia ul-Haq has released three opposition leaders who had been arrested last month for addressing public rallies here.

The politicians released Sunday were Mushar Ahmad Peshiani, secretary-general of the now defunct Ali-Pakistan Tehrik Istiqlal Party, Obedur Rahman, president of the Istiqlal in Karachi, and Maulana Ehteramul Haq Thanvi, member of the opposition People's Party, authorities said.



Turkey's new premier, Adm. Bulent Uslu, the former commander of the navy, addresses the first meeting of his Cabinet.

Japanese See Weakening Of Sanctions on Russians

By Peter Behr
Washington Post Service
 WASHINGTON — Japan's foreign minister, Masayoshi Ito, expressed concern Monday that the Western economic sanctions imposed on the Soviet Union following its intervention in Afghanistan may be breaking down.

He cited the recent decision by a French company to construct a steel mill south of Moscow.

Nippon Steel of Japan and Arco Co., a U.S. steel company, had won a contract last October to build a \$340-million finishing mill at Novolipetsk, in the Soviet Union's primary steel region.

The companies suspended and ultimately canceled the contract, however, to comply with the Carter administration's imposition of economic sanctions on the Soviet Union.

exports this autumn to be below the levels of a year ago, Mr. Ito noted.

He added that the Japanese government is continuing to encourage Japanese firms to invest in the production of automobiles and automobiles parts in the United States. Nissan Motor Co. is expected to announce a location for a U.S. manufacturing plant next month, and the negotiations between Ford and Toyota on co-production in the United States may be concluded this year, he said.

Candidates' Differences

(Continued from Page 1)

property cheaply to individuals who would fix it up and live there.

Rep. Anderson, saying that cities were in worse shape than they had ever been, said he would put \$4 billion in a trust fund to help cities rebuild their streets, water mains and other structures. He would spend another \$4 billion, he said, on other urban programs, with the money coming from the excise taxes now levied on alcohol and tobacco.

Meeting Urged

Mr. Ito said that the Carter administration should seek a meeting with its Western allies to assure that the policy of economic sanctions is not being breached.

He said that it is vital that ventures like the Cresson Loire contract must not "mushroom and spread. That would cause us a great deal of concern."

Cresson Loire officials have denied that their proposed plant is a replacement for the one planned by Arco and Nippon Steel — although the French firm had finished behind the U.S.-Japanese consortium in the original bidding on the project last fall.

According to French officials, the plant they will build is smaller and less sophisticated technologically than the proposed Arco-Nippon plant.

U.S. steel industry sources contend there is little difference. Both plants are designed to produce "dynamo" steel, a cold-rolled product used in the manufacture of large electrical motors and related products.

Private Protest

The Carter administration has reportedly protested privately to the French government about the Cresson Loire contract, and has also objected to the decision by a West German firm, Klockner-Werke, to build a \$311-million aluminum plant in Siberia, a project that was to have been built by Aluminum Co. of America, until it dropped out, in response to the Carter administration's Soviet embargo.

Mr. Ito Monday concluded a series of meetings with administration and congressional leaders which centered on the issue of Japanese automobile exports to the United States.

He said that the Japanese government has twice asked his country's automakers to voluntarily restrain U.S. exports, noting that the government cannot impose limits unilaterally.

The Japanese automakers, in response, have said they expect U.S.

Nordli Visits Peking

United Press International
 PEKING — Premier Odvar Nordli, the first Norwegian head of government to visit China since diplomatic relations were established 26 years ago, arrived in Peking Monday for a week's visit, the Chinese news agency said.

Japan Worried by Rising Internal Opposition to Conviction

By William Chapman
Washington Post Service

TOKYO — Japanese Premier Zenko Suzuki warned Monday that economic aid to South Korea might be restricted if that country's main opposition leader, Kim Dae Jung, is executed.

He said there could be "serious restraints" on assistance programs sought by South Korea and emphasized that this message has been conveyed to the South Korean government.

It was the Japanese government's most forceful representation on the case since Mr. Kim was sentenced to death last week by a military court for plotting a rebellion and forming an anti-state organization in the early 1970s.

It also reflected the Suzuki government's concern over rising internal opposition to the trial and conviction of Mr. Kim, who was kidnapped from Tokyo in 1973 in a case that has never been settled to the liking of Japan's leftist opposition.

postpone an important ministerial-level meeting with South Korea in an effort to save Mr. Kim's life.

No Concrete Plans

The Japanese government has expressed grave concern about Mr. Kim's fate and has suggested that relations between the two countries would suffer if the death sentence is carried out. But Mr. Suzuki's comments Monday were the first public warnings that the hanging of Mr. Kim would provoke economic retaliation from Japan.

Government officials said later that no concrete plans had been made for cutting off aid and technical assistance. South Korea looks to Japan for significant amounts of technical assistance and government loans and is hoping for substantial help in pulling its economy out of a deep recession.

This year, the Japanese government has promised to extend yen credits of nearly \$100 million to South Korea and has more than 20 experts in that country providing technical assistance on subjects ranging from industrial standards to high technology products.

The issue is likely to become more heated in Japan when the parliament convenes next Monday, with opposition parties expected to demand a revision of the political settlement reached in 1973.

However, Mr. Suzuki said Monday that the government has no present plans for seeking a revision of that settlement.

legislature should continue its current session for three months but it is not expected to reconvene after the eight-day recess.

Sources said the assembly is expected to be dissolved when a draft constitution is adopted in a national referendum in late October. Under legal provisions requiring a one-month public notice, the government will announce around the end of this month a draft constitution to be put to the national referendum, the sources said.

Premier's Appointment Approved

SEOUL (UPI) — South Korea's National Assembly approved the appointment of Premier Nam Duck Woo Monday and decided to adjourn until Sept. 30. The approval was the only proposed business for the assembly, which opened Saturday for its first session since a massive political crackdown in South Korea in May.

Legally, the one-house Korean

Socialists Delay Visit

LONDON (Reuters) — The Socialist International said Monday that it had postponed a visit to South Korea because its delegation has been refused permission by the Seoul authorities to meet dissident leader Kim Dae Jung. The organization did not mention any new date for the visit that had originally been planned for this week.

Tokyo Warns Seoul It Might Cut Aid if Kim Is Executed

By William Chapman
Washington Post Service

TOKYO — Japanese Premier Zenko Suzuki warned Monday that economic aid to South Korea might be restricted if that country's main opposition leader, Kim Dae Jung, is executed.

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Moslem Rebels Kill 8, Wound 4 In Philippines

The Associated Press
 MANILA — Gunmen ambushed a construction company truck near Iligan City, killing eight persons and wounding four in an area where Moslem rebels have been fighting the Christian-dominated central government for years.

The ambush brought the toll Sunday in the southern Philippines on the eighth anniversary proclamation of martial law by President Ferdinand Marcos to nine dead and 17 wounded. The ninth person had been killed earlier in the day in a bomb explosion in Cotabato City. Iligan and Cotabato are about 500 miles southeast of Manila.

Meanwhile, two of the chief political foes of President Marcos, former Sen. Benigno Aquino and Raul Manglapus, the president of the Movement for a Free Philippines, said in a joint statement that recent urban violence is "due to the fact that the democratic forces have lost their patience over the stubborn refusal of Mr. Marcos to restore democracy. Mr. Marcos has, therefore, only himself to blame."

Both Mr. Aquino and Mr. Manglapus are refugees in the United States. Mr. Marcos kept Mr. Aquino in prison for 7½ years and released him last spring to have heart surgery in America.

Thatcher Visiting Greece

Reuters
 ATHENS — British Prime Minister Margaret Thatcher arrived here Monday for a three-day official visit and talks with Greek political leaders.

Inflation Forecasts

The candidates were asked whether they would be willing to publish a specific forecast within two weeks detailing the impact of their proposals on inflation over five years. Rep. Anderson said he would, and that his programs "are far less inflationary than those of Governor Reagan." He recalled the attacks made on various Reagan proposals by Mr. Reagan's running mate, George Bush, in the Republican primaries, when Bush termed Mr. Reagan's programs "voodoo economics."

Mr. Reagan replied that he had published such a forecast, citing a projection recently released by his campaign that showed the cost of a variety of his proposals and projecting a balanced budget by 1982 or 1983. He said his record as governor of California showed his ability to reduce unemployment and inflation.

Rep. Anderson disputed Mr. Reagan's assessment, saying that government spending in California rose from \$4.6 billion to \$10.2 billion in Mr. Reagan's eight years in office.

Mr. Reagan accused Rep. Anderson of having "made up some very interesting figures," and said that he had included in his projections increases in military spending. In California, he said, "We did cut increases in spending in half."

Mr. Reagan added, "John doesn't quite realize, he's never held an executive position."

There was a contrast in the way the two candidates used the three minutes they were allotted for closing statements.

Mr. Reagan spoke with some passion of his view of America as a land of destiny created "by some divine plan." He said the nation was confronted with "horrendous problems," but he added they could be met and should not be answered with "retreat."

Rep. Anderson defended his independent candidacy. He is not a "spoiler," he declared, but rather the best candidate to deal with the economy, the military and the other problems of the country.

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Province Resists 'Annexation'

Navarre Becoming Stage Of New Basque Terrorism

By James M. Markham

New York Times Service
MADRID — The center of political violence in the troubled northern Basque region is moving to the province of Navarre, where there are growing fears of a thinly camouflaged civil war.

Assassinations and bombings by Basque terrorists and reprisal slayings by a rightist group calling itself the Spanish Basque Battalion have claimed 66 lives in the north this year. But the increase in violence in Navarre, which is a self-governing unit separate from the new Basque home-rule area, could become far more explosive.

For militant Basque nationalists, Navarre is an integral part of the homeland they call Euzkadi, and, in economic terms, an important agricultural hinterland for the cramped, industrialized provinces of Vizcaya, Guipuzcoa and Alava. But many of the half-million citizens of Navarre are proud of their ancient traditions of self-government and are firmly opposed to what they call annexation by the three Basque provinces.

Under the Spanish Constitution, the people of Navarre may some day vote in a referendum on the incorporation of their province into the rest of the Basque region. But holding a referendum must first be approved by Navarre's 70-member legislature, which today has only about 20 supporters of integration.

Popular Resistance

Lately, the Socialist Party, which has 15 seats in the legislature, has swung away from its original position in favor of integration, apparently after sensing popular resistance to being included in a Basque entity scarred by violence, multiplying industrial bankruptcies and soaring unemployment.

"With a referendum would come confusion and the complete scattering of our people," declared Victor Manuel Arbeloa, the Socialist who since April has been president of the Navarre legislature. "This place would turn into a shooting gallery, fear would spread and many people wouldn't vote."

Railroad Strike In Berlin Ends

Reuters

BERLIN — Passenger train services between West Berlin and West Germany returned to normal Monday following a decision by striking West Berlin railwaymen to lift a blockade of rail lines in the city center.

A train bound for Cologne left the main station as scheduled and railway officials said services from West Germany were also now running.

The strikers, employed by the East German state railroad, ended their occupation of a vital signal box in West Berlin after halting all passenger traffic to and from the city for more than 24 hours.

We Socialists reject the idea of a referendum.

Terrorists from the Basque separatist organization ETA — the initials stand for Basque Homeland and Liberty in the Basque language — said they would "force" a referendum by armed struggle, and on July 10 blew up several buildings in the University of Navarre, a conservative bastion in Pamplona. On Aug. 22, Jose Javier Uranga, the editor of *Diario de Navarra*, a newspaper that is against integration, was killed with bullets but did not die.

A week later, the national police arrested Jose Antonio Urbola, the vice president of the Navarre legislature and a member of Herri Batasuna, the above-ground political arm of ETA. Mr. Urbola, who is being detained under an anti-terrorist law, is accused of having contacts with ETA and passing money to its partisans in southern France.

ETA Sympathizers

The attack on the editor led Communists and Socialists in Navarre to demonstrate against terrorism Sept. 2 in Pamplona. The march, which drew about 30,000 supporters, was marked by clashes between the demonstrators and ETA sympathizers.

Minutes apart on Sept. 12, two powerful bombs destroyed the headquarters of the Communist Party and the offices of the Socialists' General Workers Union in Pamplona, injuring two persons and nearly reaching 60 women studying at a hairdressers' school in the old quarter of the city. Guillermo Fernandez, leader of the Socialist union, accused ETA of setting off the blasts.

ETA, with its popularity waning in Vizcaya, Guipuzcoa and Alava, appears to have chosen to increase tension in Navarre for several reasons. One is that integration of Navarre is an emotional issue in the rest of the Basque region, and ETA's campaign is likely to be viewed less harshly than its almost routine killings in the other three provinces.

Moreover, Navarre could be the arena for a showdown between ETA's gunmen and national police and military units. Several rightist Navarre politicians have said they would not hesitate to call upon the military to protect the province, and ETA is thought to seek such a confrontation, believing it would radicalize many ordinary Basques and drive them into its camp.

The deteriorating situation in Navarre is another discouraging development for Carlos Garaioetxea, president of the infant Basque government. His Basque Nationalist Party is weak in Navarre — its four seats make it the smallest group in the legislature.

It is the dominant party in the three Basque provinces and has just ended a boycott of the Spanish Cortes (parliament), apparently in the hope of having powers transferred from Premier Adolfo Suarez to the largely powerless home-rule authority. But Mr. Suarez appears likely to stall.



Franz Josef Strauss drinking from a beer stein offered by Munich Mayor Eric Kiesl during the opening of the Oktoberfest.

Strauss Has Strong Support Throughout Bavarian Area

New York Times Service

NEUBURG, West Germany — Down here in deepest Bavaria, they have kept the faith. It's just like the tourist brochures. The farm wagons really rattle across the bridges over the Danube, crucifixes still stand at the edge of the fields and almost everybody votes for Franz Josef Strauss.

The rest of the West Germans seem certain to reject Mr. Strauss as candidate for chancellor in the elections Oct. 5, but in the little towns of Bavaria, there is real affection, sometimes something close to passion, for the man. Mr. Strauss's party, the Christian Social Union, has won 63 and 72 percent of the vote in the last two elections here.

In a place like Neuburg, just over 50 miles north of Munich, a city of 24,000 with a old quarter of pastel-colored houses, the reasons for Mr. Strauss's success have to do with the tradition of Bavarian independence that he embodies and the deeply felt conservatism of the people he represents as the state's elected leader.

When he is attacked outside of Bavaria as a threat to peace, the charge is felt by many people here as part of a contemptuous attitude toward themselves.

Emphasis on Family

In Neuburg, Mr. Strauss makes sense — more emphasis on the family, cutting down the national debt, a halt to giving away money to the Communist countries of Eastern Europe without getting more back in exchange, and improving relations with the United States, the place where West Germany's real friends are, not in East Berlin or Warsaw or Moscow.

Ticking off this list, Wast Lettenmayer, who runs a drugstore, explained that Mr. Strauss has to fight "the whole damn left-wing media" and everyone who has lost their ability to think during the last decade of Social Democratic-led governments.

"I turn on the television," he said, "and there is [Chancellor Helmut] Schmidt telling me that Strauss is dangerous because he said that if he were running the government there wouldn't have been an Afghanistan. But that's not what Strauss said. He said if we had taken the proper attitude on Angola, Afghanistan wouldn't have happened. He's right, of course. I have this when they try to turn him into a fool or a liar. They have nothing to offer, they just try to scare people."

Others Are Cowards

The same point of view prevails in the office of Franz Weigert, who employs about 100 people in a factory that makes stone products.

"The truth is that he's absolutely the best politician we have," he said. "The others are cowards. Schmidt is competent, but he wants to sit on both sides of the fence and play off both the Americans and the Russians. The most important thing Strauss could do would be to keep us close to America. We need the U.S.A. and they need us too. Eventually, we'll have to pay a price for all this trouble we've made with the Americans and fooling around with the other side, and I don't like it. If I add another truth, it's that the election is lost for Strauss."

For people over 40, Mr. Strauss seems to be able to do no wrong and his campaign now has the feel of preparation for martyrdom. His younger supporters have more distance, yet they talk about him in a way that has a considerable conviction.

Georg Warm, a 25-year-old dental technician, said he did not like at all that Mr. Strauss had once called opponents on the left "rats and dung flies." It was too harsh and unnecessary, he said. But he admired Mr. Strauss's naturalness and honesty, two good qualities, he felt, that would turn to his disadvantage since in politics liars and actors often do better.

Bremen Demonstration Banned

BREMEN (Reuters) — Police have banned leftist and youth demonstrations which were to have been staged against Mr. Strauss at an election rally here Wednesday.

Yugoslavs Quietly Pleased at Reforms Won by Poland

By Louis B. Fleming

BELGRADE — There is quiet satisfaction in Yugoslavia concerning the reforms won in Poland by rebellious workers.

"The Soviet threat to us is greatly diminished," a Yugoslav said. "A common thread in the Yugoslav press coverage of the events in Poland has been the implication that it cannot happen here because our model is better, we have worker self-management," a diplomat with wide experience in Eastern Europe commented.

So, scarcely four months after the death of Tito there are signs of a sense of more security on the part of the committee that now leads the nation.

Some Anxiety

There remains, nevertheless, some anxiety about possible repercussions from the rebellion in Poland, according to experts here.

People might be more prone to demonstrate should the present shortages of consumer goods be prolonged or should the economic crisis deepen.

A free union movement, modeled after the proposals of Poland, might develop here, bringing possibly unsettling changes in the unique political system. For the moment, Yugoslavs are basking in an exceptional Indian summer, lingering at sidewalk cafes, thronging restaurants, and feasting on corn on the cob, freshly roasted at sidewalk braziers. And most observers seem to be in agreement that the relative affluence of the Yugoslavs, their conspicuously superior standard of living, make most unlikely the "spread of the contagion of Poland here," as an expert said.

Paradox for Leaders

There is a paradox for the leaders, however. The decentralization of authority and the worker self-management policies that seem to have made the nation immune to a Gdanek uprising, also are frustrating the efforts at economic stabilization. Failure of that effort could create a situation ripe for trouble. The leaders are finding it enormously difficult to implement urgently needed reforms because part of the legacy of Tito is a system that requires them to negotiate with the six republics and the two autonomous regions that comprise the nation as well as a myriad of autonomous enterprises, each run by its own workers.

Some concern about internal security also remains although foreign observers see no threat, internal or external, to the regime.

Both federal government and Communist Party leaders held extensive consultations on security earlier this month, perhaps weighing the implications of developments in Poland, according to a European diplomat.

Attacks on Dissidents

In the summer months after the death of Tito, there were harsh attacks on critics and dissidents and heavy court sentences in some cases.

The nation shows no signs of coming apart despite the customary bickering and rivalry among the republics and regions. But it is evident that these tensions would rise if the economic crisis of today turned into a deep and prolonged depression. "Encouraging results" have already been reported by Vasecin

Some Anxiety on Possible Repercussions Remains

Djuranovic, president of the Federal Executive Council, the key leader of economic reform. Since the 30-percent devaluation of the dinar was ordered in June, he has been able to report an 11-percent increase in exports and an 11-percent cut in imports, measured in real terms. This has drawn applause from foreign economic observers.

Concern about Soviet meddling

in Yugoslav affairs, a topic of general conversation in January when Tito fell critically ill, has diminished significantly. The December invasion of Afghanistan by Soviet forces, which at that time seemed menacing to many people here, now is seen as a critical problem for the Russians. And the concessions that have been made in Poland to the militant workers are seen as an even

Polish Worker Delegates Adopt Trade Union Rules

From Agency Dispatches

WARSAW — Delegates representing nearly a quarter of the Polish work force adopted the new statutes of a national trade union Monday, the first in the East bloc not directly controlled by the Communist Party.

A spokesman at the meeting, in the northern port of Gdanek, said the self-governing trade union *Solidaarnosc* (solidarity) would register with a Warsaw court Wednesday.

Delegates from more than 36 independent trade union movements in Poland had assembled to adopt the Gdanek free trade union charter and discuss plans for administering the new movement on a regional basis.

The Gdanek charter is based on the historic agreement wrested from the Communist authorities by shipyard strikers in the Baltic ports three weeks ago. The agreement gave the workers the right to form independent trade unions.

Poland was free of strikes Monday for the first time since July 3, a spokesman for the dissident Workers' Defense Committee (KOR) said.

Although the main strikes in the Baltic shipyards and factories were ended by the historic agreement on Aug. 31, scattered stoppages had continued in several parts of the country.

Thousands of Indians Flee Monsoon Floods

NEW DELHI — Thousands of villagers have fled their homes in the eastern Indian state of Orissa to escape monsoon floods that are reported to have killed hundreds of people in the past five days.

The floods in the coastal districts of Cuttack and Puri were expected to reach their peak in the delta area of the Mahanadi river Monday. The official death toll is 203.

15 Countries Sign Accord To Protect Antarctic Life

By Walter Sullivan

NEW YORK — After prolonged negotiations, 15 nations have signed a convention for the protection of marine life in the Antarctic.

The convention, signed in Australia last week, clears the way for a more difficult task. Finding a way to deal with the mineral resources of the continent. This will be the chief subject for discussion at the Antarctic Treaty Consultative Meeting to be held in Argentina next summer.

Also at issue will be submarine oil and gas deposits that may lie off Antarctica, especially under the Ross and Weddell Seas. Hints of such resources appeared in drilling in the Ross Sea by the U.S. ship *Glomar Challenger*.

West Germany has recently conducted seismic exploration of sediment under the Ross Sea. Japan and possibly New Zealand are expected to follow suit, and Norway has probed the Weddell Sea floor.

Greater Depths

Discoveries of oil and gas reserves in the Arctic have encouraged hopes for the Antarctic, but the water depths there are far greater than those in the Arctic, and ice conditions would be more threatening to drilling ships.

The treaty, emerging from the United Nations Law of the Sea Conference in Geneva, would establish "exclusive economic zones" extending 200 miles from national territories. Because of the ambiguous state of national sovereignty in Antarctica, application of this treaty there could create havoc.

The Law of the Sea treaty is expected to come into force in 1986 or soon thereafter, and nations adhering to the new Antarctic convention are under pressure to resolve the resources issue before then. Eight of them — Argentina, Australia, Britain, Chile, France, New Zealand, Norway and South Africa — claim sectors of the Antarctic or offshore islands, and some claims overlap. The other participants in the convention —

more significant diversion Moscow has not been too

"The Yugoslavs cannot be delighted that the Soviet meddling in post-Tito affairs is an expert comment."

The self-confidence of the Yugoslavs was reflected in the roughness with which their television and press reports events in Poland. With the garians, the Yugoslavs were first in Eastern Europe to cut ports in mid-August. The Yugoslav newspaper correspondents in cow also wrote detailed analyses of the failures of the Soviet workers or to give others of the events.

There has not been, however, in the Yugoslav analyzing the trade union difference between Poland and Yugoslavia. A European diplomat noted.

There are no free trade unions in Poland. The workers' councils in each enterprise, or there are said to be. And the workers have tolerated real power strikes, forcing reorganization management, as last year in national airline, Jat.

Voters to Give Verdict On Maine Nuclear Power

By Larry Green

EDGECOMB, Maine — Taped to the refrigerator across from the wood-burning stove and next to the water pump is a yellowing leaflet that reads: "By God you have every right to protest the forced intrusion of nuclear hazards to life, to property, to generations yet unborn."

Although he did not know it at the time he prepared it, that announcement of a public meeting hanging in Raymond Shadis' kitchen launched a grassroots campaign that culminates Tuesday in what may become a landmark in the controversy over nuclear energy.

On Tuesday, Maine's 680,000 voters will decide whether to force the shutdown of an operating nuclear power plant. The plant, Maine Yankee, supplies the state with a third of its electricity from a location 60 miles (96 kilometers) north of Portland.

While the controversy here is focused on the \$250-million, 840-

megawatt plant, which opened in 1972, the outcome will be a national referendum. Maine Yankee is certain to be a symbol in the ongoing debate, and the vote to be the first public referendum on nuclear power since last year's vote in the Three Mile Island clear plant in Pennsylvania.

Anxious for a victory to be accepted as reflecting confidence in nuclear power, investor-owned utility companies across the nation pumped hundreds of thousands of dollars into a polished, pro-nuclear campaign to "save Maine."

Other References

Opponents of nuclear hope that Maine Yankee, the first domino to topple, the way for November voters to vote on nuclear power. Questions are: "Is it quite a nuclear forces 4 years to get that are hopeful that Maine," said Elvinder of Central the plant's price they should be just a question next state, because will give them a move on.

Maine voters judgment on a p entitled the Nuclear Act. The law clear places a bet that their construction is premature logical issues have quietly resolved. The continued of plants "represents unreasonable risk physical and mental Maine residents.

Even if the law prolonged legal battle clear power plant and licensed by the ment, and the right prohibit their construction must be determined. Proponents law say that they a officially with police served for the state: lieve this will be a federal Atomic Energy which plants are licensed

Compensation

There are also qu compensation to C Power if the company decommision and plant. Mr. Thurlow cost at \$57 million.

The anti-nuclear campaign with Mr. Shadis, ist and farmer who 115-acre farm on the years ago with his farm. He formed the initi, began the petition drive question on the ballot only 37,000 signatures. Mr. Shadis' gross more than 60,000, 56,000 of those were valid.

Mr. Shadis said the Island accident and s dents at Maine Yankee him to launch his criticized the federal clos Maine plant early last its ability to withstand quake was studied. The Northeast, there a earthquake while the closed. A device design the control room and alarm "was not operating ing to company and cords.

But Mr. Shadis said that most pushed him it was a release of radioactive in March, 1979. "I live the wrong target or fail to see the missile at all, the agency said. It said test flights from Cape Canaveral, Fla., have already proved successful.

Power company officials said that there was but they maintain the risk was insignificant. They delays in reporting.



"We'll have to allow for a little adjustment in the year 2100", he said.

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Except for one small omission.

"Following the normal four-year cycle", he elaborated, "2100 should be a leap year. But it's not. It happens to be the one year in centuries in which our calendar catches up. There'll be no February 29th in 2100."

"That will make it difficult", I commented, "for any lovely young lady wanting to propose to me."

He glanced at me quizzically over the top of his spectacles. "Unless you forget to make the adjustment", he said solemnly.



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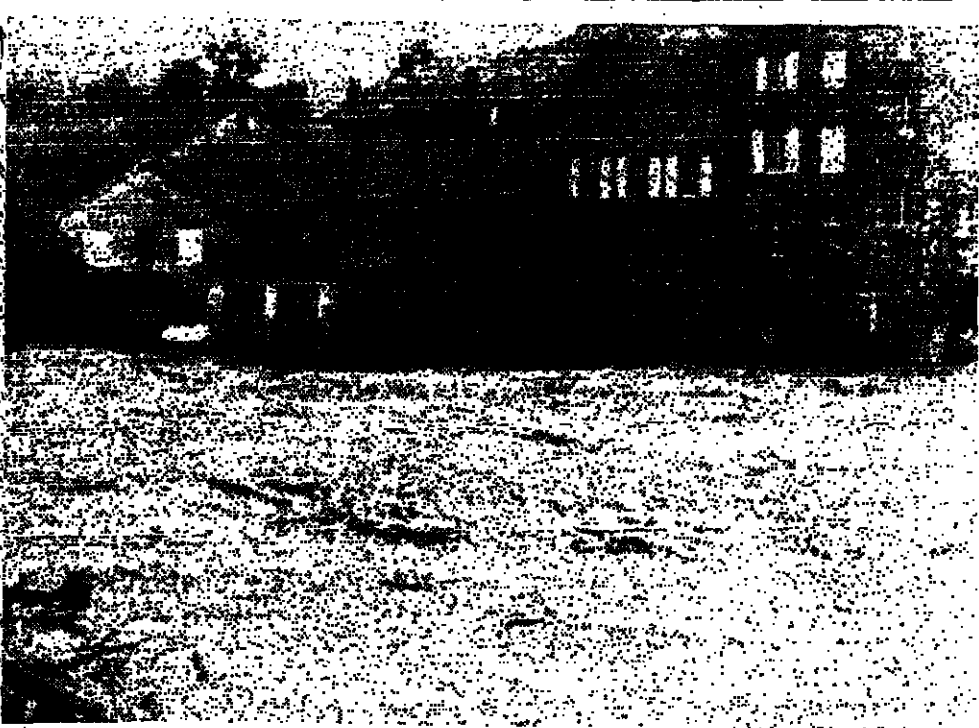
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U.S. Copter Crash Kills 3

The Associated Press

JOLIET, Ill. — Three servicemen died and one was seriously injured when a U.S. Marine Corps helicopter crashed and caught fire during a demonstration Sunday at an air show at Joliet Park District Airport, authorities said.



ASH FLOOD — Waters of the upper Loire River sweep through the town of Coubron, in central France Sunday after violent storms raised the river's level by 10 feet in 30 minutes. 18 persons were killed and 18 injured in the flood, which was beginning to subside Monday.

Television Program Canceled

Editor Assails Greek Politics, Is Punished

By Nicholas Gage
New York Times Service

ATHENS — A recent televised debate on members of Parliament by a respected newspaper editor caused the editor's promotion to the government-controlled television network to be canceled.

His regular five-minute column after the news on Aug. 25, 1980, Philipides, editor of *Proton*, one of the most influential of the dozen national newspapers, criticized the behavior of all members of Parliament and the strength of the political system that was reformed six years ago.

Philipides ignored the interest of the population at large," he said. "They do not examine vital issues or bother to form opinions on them. They spend all their time in ministries trying to get favors for their political friends."

He charged that deputies left all decision-making to their party, only voted the party line despite their beliefs or the national interest and concerned themselves with pleasing the party leader rather than the voters.

Philipides said that the party machines are stronger than what is to them by democracy.

He suggested that 300 deputies were too many for a country of 9 million people, that deputies should not take over ministries but should stick to legislation and that they stop trying to feather their nests with special privileges and large pensions after only two or three terms in office.

"As Socrates says, they should leave politics not richer but more glorious," he said.

After the broadcast, all political parties reacted with unanimity. One deputy after another rose in Parliament to denounce the statement, and the government moved swiftly to end the editor's televised commentaries.

"What bothers me is not the attacks, but the fact that not one

deputy tried to confront the issues I raised," Mr. Philipides said during an interview in his home. "Most of them admitted that they never saw the program or read a transcript of my comments but were reacting to what others had told them."

Mr. Philipides, 54, expressed his indignation at what he considers the wrongs inherent in Greek society and government. He refused to limit his criticisms of the left, the right, the bureaucracy or the government, all of which he has continued to attack in his newspaper since going off the air.

Mr. Philipides considers the press as much to blame as the politicians. "Greek journalists, rather than being the watchdogs of the people, are all bark and no bite," he said. "They attack the government on political issues in order to seem against the establishment, but they don't expose the payoffs, the deals, the favors that corrupt society, because most of them are feeding at the public trough themselves."

Most reporters, he asserted, work not only for their newspapers but also for government agencies. "They are concerned only with piling one position on top of another for money, money, money," he added.

"Greek journalists are not free. I am not free," he said. "The only time I was free was when speaking on television, and you see how long that lasted."

June Murder of Magistrate Tied to Bologna Bombing

By Henry Tanner
New York Times Service

ROME — In the seven weeks since a terrorist bomb blew up the Bologna railroad station and killed 84 persons, Italian police have arrested more than 30 members of extreme rightist organizations on charges of having a part in planning or executing the attack. The man who placed the bomb may be among those arrested, but he has not been named.

The investigation, which has turned the attention of press and the public to "black" (rightist) terrorism after years of preoccupation with the "red" terrorists of the Red Brigades and Front Line, has been punctuated by new murders and partisan polemics.

Last week, two more prominent neo-Fascists, Romano Cotelacci, a former Rome city councilman, and Adriano Tilgher, a former convict, were formally warned by investigating magistrates that they may be charged with subversive association and membership in an armed group.

Murder of Magistrate

The most damaging development to date has been the discovery that the Bologna massacre was almost certainly perpetrated by the same people as the murder on June 23 of Mario Amato, a Rome magistrate who had been conducting a single-handed investigation into rightist terrorism and whose warnings were ignored by his superiors.

In his report to Giovanni De Matteo, then the chief prosecutor of Rome, Amato warned two months before his death of an impending resurgence of rightist terrorism. He named two prominent neo-Fascists, Aldo Semerari and Paolo Signorelli, as the ideological fathers of a newly revived rightist terrorist underground.

Amato's report was ignored by Mr. De Matteo. Some magistrates now charge that it was deliberately sidetracked. Mr. Semerari and Mr. Signorelli are among those arrested in connection with the Bologna bombing.

Mr. Signorelli, Mr. Semerari and a third arrested man, Claudio Mutti, have long been regarded as the leading intellectuals of the "revolutionary" right. Mr. Signorelli, a 42-year-old professor of history and philosophy in Rome, was arrested last year for alleged membership in the Armed Revolutionary Nuclei, the leading rightist terrorist organization. Not incidentally, his arrest warrant bore the signature of Amato.

Mr. Mutti, 34, a former professor of literature at the University of Parma, was one of the founders of New Order, a neo-banned neo-Fascist organization. He had been arrested in the mid-1970s in connection with terrorist acts claimed by the group.

Mr. Semerari, a well-known criminologist and professor of psy-

chiatry at Rome University, was called frequently to testify in Rome courts. A declared neo-Fascist, he entertained politicians and magistrates at his villa in Rieti, east of Rome, and showed off his collection of Nazi memorabilia, according to newspapers. The press has been describing him as a personal friend of Mr. De Matteo.

Mr. De Matteo's handling of the prosecutor's office was investigated early this summer by the Supreme Council of the Magistrature after complaints by officials working under him. He was removed and appointed to the even higher post of appellate court president. His place as chief prosecutor went to Achille Gallucci, the man in charge of the investigation of the kidnap-murder of former Premier Aldo Moro, which, after two-and-a-half years, remains unsolved. Mr. Gallucci also is described by the press as a friend of Mr. Semerari.

The changeover from Mr. De Matteo to Mr. Gallucci took place last week. The Bologna magistrate in charge of the investigation had accused "a criminal in Rome" of leaking to the public official information that hampered the inquiry.

It was the discovery last week of the body of Michele Mangiameli, a young Sicilian neo-Fascist, that convinced the Bologna magistrates that the bombing in the railroad station and the murder of Amato were the work of the same group. Mangiameli was found with three bullets in his head in an irrigation pond just outside Rome. A witness identified him as Amato's killer.

Other testimony indicated a strong resemblance between the killer and the dead man. Mangiameli had been interrogated after the Bologna explosion because he was known to be in touch with other suspects. The Armed Revolutionary Nuclei had claimed responsibility for killing Amato and, at first, also for the Bologna bombing. When the dimensions of the massacre became known, anonymous callers speaking for the group denied its involvement.

Police believe that Mangiameli was killed by his own companions to keep the connection between the Amato murder and Bologna from coming to light.

The case includes a "super witness" in the person of Giorgio Farina, a young disc jockey who is said to have accused two neo-Fascists, Dario Pedretti and Sergio Calore, of organizing part of the bombing operation from a prison cell he shared with them. Mr. Farina also implicated a nightclub bouncer and fellow disc jockey, Francesco Furlotti, who is suspected of having been in charge of the explosives before they were placed in the station. Mr. Furlotti has an alibi for his actions.

There had been reports, apparently false, that Mr. Farina had given the explosives to Mr. Furlotti when he was allowed to leave the prison for a day. Other reports

characterized him as a police spy who had been planted in the cell to report on the other inmates. Mr. Farina denied most of what has been written about him.

Military Truck Attacked

ROME (AP) — An Italian military truck was attacked Monday by five gunmen on a busy Rome

street, wounding two of the eight soldiers aboard, police reported. No group claimed responsibility immediately for the ambush. Police said neither of the injured soldiers was hurt seriously.

Police said the truck was returning to its base in Pietralta, in the northeastern sector of Rome, when two cars cut sharply in front of it, forcing the truck to stop.

A woman jumped out of one car

and opened fire with a machine gun.

Nazis Suspected in Fire

The Associated Press

PARIS — A dozen Nazi armbands were found after a fire was started Sunday outside the apartment of Henri Nogueres, president of the French League of the Rights of Man.

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PARIS, SEPTEMBER, 1980

JAPAN-I

Tokyo Is Displaying New Vigor In Its Foreign Policy Initiatives

TOKYO — The events of the last year in Iran and Afghanistan have helped to push Japan out of its cautious neutrality, and this nation now seems firmly committed to active support for the Western position in world affairs, in the view of most observers.

In the process, however, some doubts have arisen about just how far and how fast Japan should seek an active foreign policy role and there are some indications of slowly developing independent action. While most observers believe that Japan's greater economic strength requires it to show more interest in the world, others feel that Japan lacks the skill and experience to carve out a role as a world leader.

Japanese foreign policy has long been committed to the security treaty with the United States, which allows the United States to use bases in Japan as part of its Far East strategy and guarantees the security of Japan. And Japan's conservative political leaders have always seen themselves as a member of the Western camp.

Day-by-Day Pressure

But in the past the Japanese have generally preferred to react to day-by-day pressures and to sweep under the rug anything that seemed too difficult or embarrassing for a clearcut decision to be made.

In the process Japan avoided foreign entanglements and concentrated on domestic economic growth. Paradoxically, the very success of that growth has now changed all this.

Japan has come under heavy pressure, especially from the United States, to play a more active role in world affairs. Tokyo also has an important relationship with China, and it needs to cooperate increasingly with the advanced Western industrial nations on energy and other economic problems.

On top of all this is the revived defense debate in Japan. Both public opinion and the press seem more willing than in the past to accept the strong pressure from business and conservative political circles seeking higher defense spending and a clearer definition of how and when Japan's military forces are to be used.

The result is that Japan is now not only moving out of its diplomatic shell, it is beginning to take sides in international disputes. It has moved a long way from *zenhoigaku*, or "omnidirectional diplomacy" — the slogan of only a few years ago.

Iran and Afghanistan

On the Iranian hostage issue, for example, it moved to support the United States by reining in trade and investment links. And following the Soviet intervention in Afghanistan, Japan moved considerably from cautious neutrality to a position that included a refusal of credits and an Olympic boycott.

It was reported recently that Tokyo was beginning to loosen its ban on credits to the Russians, in the hope of not damaging trade irreparably, by agreeing to extend credit for two development projects in Siberia. Officials have indicated that others might be permitted in the coming months, according to the reports.

Moreover, a high-level Soviet trade official arrived here earlier this month — the first of his rank to conduct business with Japan since

economic relations were partially frozen. But officials have reportedly denied that the credit restrictions are going to be dismantled wholesale.

In other foreign policy areas, Japan has also been active. Japan is working to cement relations with the ASEAN (Association of South-east Asian Nations), and has accepted the request by the bloc and China to withhold recognition of the pro-Hanoi regime in Phnom Penh.

Under former Prime Minister Masayoshi Ohira, Japan took the lead in reviving the long-dormant proposal for academic economists for a Pacific Basin community. The concept still lacks content, and with the death of Mr. Ohira may become dormant again. But in principle, at least, it was a major departure from Japan's former policy of avoiding any political or economic bloc commitment.

Mr. Ohira's death also threw into doubt several of Japan's other diplomatic initiatives. As a liberal, he was a rarity among Japanese politicians in that he believed strongly in the need for clear principles in both domestic politics and foreign policy.

One of his principles was the need for a closer relationship with China, for which he worked hard over many years. Another was support for the United States in exchange for the protection and other aid.

Combined with the strong friendship that seems to have developed with President Carter, it led Japan to align itself even more closely with the United States over the Iranian and Afghanistan issues than did many of the Western European nations. But while the Ohira policy was strongly approved in Peking and also in Washington (both President

Continued on Page 12S

A Collision Course Feared In U.S. Auto-Market Race

By Roger H. Schreffler

TOKYO — The American auto industry, which is undergoing a major structural reform, appears to be steering a head-on collision course with Japanese automakers in its efforts to pull out of the current economic crisis.

The dispute, pitting the world's two most powerful automobile industries against each other, involves essentially two issues — growing numbers of imports into the United States and jobs.

Since last September, Japanese exports of passenger cars to the United States have increased at a rate of nearly 30 percent on a yearly basis. More significantly, Japan's share of the new car market is fast approaching 25 percent, and judging by recent consumer popularity and demand, it is likely to continue making further inroads unless drastic remedial measures are taken by the United States.

The immediate U.S. concern is unemployment: It is estimated that 800,000 to 900,000 persons in the industry (including those in ancillary and support industries such as rubber, parts and glass) are now out of work.

Auto Industry Protests

In recent months, the United Automobile Workers, whose unemployment rolls now exceed 300,000, and the No. 2 U.S. automaker, the Ford Motor Co. (which sustained losses in North America of more than \$700 million in the second quarter alone), filed protests with the International Trade Commission, appealing for relief for injury sustained from foreign vehicle imports from Japan. The ITC, a U.S. agency that is investigating the charges, is expected to issue its report on Nov. 24, after the U.S. presidential election.

In addition, Congress has become more vocal in recent weeks and, as it is an election year, can be expected to put increasing pressure on the Carter administration to take pro-

tection measures to bolster the U.S. auto industry. An observer in Tokyo commented that "it's incomprehensible that the United States will stand by and do nothing while its largest industry goes under."

The latest chapter in the trade drama opened with a ruling on May 20 by the U.S. Customs Service to raise the tariff rate on small-sized, lightweight trucks from 4 percent to 25 percent. Japan is the largest supplier of such trucks to the U.S. market, in 1979 alone exporting roughly 460,000 units.

The decision by Customs, which took effect Aug. 21, essentially involves a classification change — that is, the upgrading of truck chassis with cabs (requiring minor assembly work in the United States) from "parts" to "finished products."

U.S. automakers had long contended that the 4-percent tariff was too low because the amount of assembly work required was very small. The Japanese government has responded by appealing to the General Agreement on Tariffs and Trade.

The Japanese government reportedly believes that the reclassification move "runs counter to the spirit of GATT." There is also concern that the unilateral action by the United States may have adverse effects on future trade relations between the two countries, not to mention on consumers, who must pay up to \$800 more per vehicle.

"Emotional Response"

Privately, industry officials view the tariff decision as an "emotional response" by the Americans, a response precipitated by the inability of U.S. automakers to compete with the likes of Toyota, Nissan and Honda in the small-car market. Because of the still wide (although closing) gap in quality and fuel efficiency, the official line of the Japanese auto industry is that the import issue cannot be linked to the U.S. unemployment situation. The root of the problem, according to most Japanese observers, is the failure of U.S. manufacturers to be responsive to the changing requirements of the market.

The Ministry of International Trade and Industry is worried about the prospects of the United States taking further stern measures to protect its industry and has urged Japanese manufacturers to curtail exports for the time being.

The ministry's suggestion, however, has not gone down well with the industry here. Both Eiji Toyoda, president of Toyota Motor Co., and Takashi Ishihara, president of Nissan Motors (Japan's second largest maker) recently raised objections to self-imposed restrictions, saying that they might seem to be an admission of wrongdoing by the Japanese industry.

Rightly or wrongly, there is a growing perception in the United States that the U.S. industry's survival is at stake. Ray Marshall, the U.S. secretary of labor, who was in Japan recently, told the Japanese that although officially the U.S. government did not blame the Japanese industry for the slump, the fact that nearly one million auto and auto-related workers are out of work could not be ignored.

There is, additionally, a strong sentiment among American businessmen and officials in Japan that if the situation were reversed, there's no question that the Japanese government would take quick and stern measures to protect its industry.

Of particular concern is the possibility that the Carter administration might be pressured to settle the dispute with a so-called orderly marketing agreement, which would be worked out on a government-to-government basis — unless Congress takes action first and imposes some sort of quota. Such an agreement would have the effect of placing a limit on exports from Japan (some say that annual exports might be reduced by half a million units).

And although President Carter has been a strong advocate of the free trade principle in regard to automobiles, he did resort to an orderly marketing agreement in 1977 to settle the Japanese-U.S. television dispute.

The Ministry of International Trade and Industry has explained that, unlike self-imposed restraints, an orderly marketing agreement would be binding and would have a much greater adverse impact on the Japanese industry.

One of the major side effects of the TV trade settlement three years ago was that Japanese television-set manufacturers were forced — if they hoped to maintain sales at roughly the

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Japan's Cultural Self-Image Seen Growing More Positive, Confident

By Alan Field

A — More than another modern, industrialized people, the Japanese believe in social and cultural patterns are different. But their perception of these qualities as Japan's self-image grows ever more positive and confident.

As and journalists, both native and foreign, have long made comfortable living as just how differently the Japanese think — and why. Many of the best-selling Japanese books of the past few years have been about the Japanese mind, the Japanese people. Recently titles include "What is a Japanese?", "About Japan," and "Thinking in the 21st Century Japan."

Comparisons between the Japanese national character and those of foreigners are also high. Such best-selling books include "The Japanese Mind," "The Japanese Character," and "The Japanese Mind."

Even in the street in Tokyo is convinced that differences are undeniable. As one foreign journalist explains it, the highest compliment a foreigner can pay to a Japanese host is to say that Japan is in

some way unique. "It does not matter whether the observation is positive or negative."

If foreigners are lacking for the task, Japanese publishers will assign an article or a book on Japan's uniqueness to local writers working under foreign-sounding pen names, such as Izaya Ben Dacan, Paul Bonnet and Ian Denman. Many such authors have even made strongly negative judgments about the Japanese character and social patterns.

But just how the Japanese differ from foreigners, and why this should be so, is rarely a matter of total agreement. One common analysis is that the Japanese are somehow peculiarly *wet* (wet) people while Americans and other Westerners are *dry* (dry) and *gorietek* (rational). Usually, this implies that the Japanese care less about spoken language and legal formulae, and more about human relationships and unspoken, bodily communication, or *haragei*.

Others have detected fundamentally different ways of thinking among the Japanese. Wrote Dr. Ferdinand Mauser, visiting professor at Tokyo's Keio University: "To this day, the Japanese tend to feel uncomfortable with Western linear logic. It is not unusual to find complaints about it in Japanese literature. Western businessmen who arrive on these shores armed with lawyers and fixed contracts fill them up with consternation."

Somehow, this is supposedly congruent with the Japanese tendency to work in "harmony with nature," whatever that is. Writes Dr. Mauser: "The Japanese are not restricted by a heritage of absolutism."

Common Assertion

Another common assertion, detailed in Australian author Gregory Clark's best-selling book "The Japanese: Origin of Uniqueness," is that more than other peoples the Japanese "have retained and developed the family tribal values."

"Even today, the resemblance between modern Japanese values of the family or tribal unit is striking. Individualism is subordinate to group interests. Consensus and community are stressed. Age and sex determine hierarchies. Religions are weakly developed. Morality is group-centered and based on customs and conventions rather than universalistic ideologies." Mr. Clark attributes all of this to the fact that "until recently, the Japanese had no significant and prolonged experience of foreign war."

Why are the Japanese so uniquely preoccupied with cultural uniqueness? Possibly because they fear that their cultural traditions are rapidly being eclipsed by more attractive Western imports.

Another possible explanation lies in the Japanese belief that interest in personal psychology reflects selfishness. *Nihonjinron* concentrates on viewing Japan as an entire society, rather than looking at the individuals who compose it. As such, it does not defy the social judgment that "individualism" is a negative force.

Homogenous Character

Still another factor is the homogenous social and economic character of Japanese society. Since industrial relations are harmonious and the distribution of income relatively uniform (90 percent of Japanese consider themselves "middle class"), social class consciousness is minimal. And, since virtually everyone shares the same ethnic and religious origin, there is an emphasis on the behavior of the nation as a whole, rather than on that of its component classes or races. Class consciousness, among workers, peasants or the intelligentsia is virtually nonexistent.

Finally, concern for demonstrating how the Japanese are more emotional — and more concerned with human relationships — than are foreigners, acts to build egos damaged by foreign assertions that Japanese are "economic

animals," or "workaholics." *Nihonjinron* thus projects a view of Japanese society in which work and money are generally less significant than the strengthening of human ties.

Japan's long isolation from the outside world ended less than 130 years ago. Moreover, Japan is one of only two Asian countries — the other is Thailand — to have escaped the colonization of Western powers. And that was accomplished only because the Japanese government pursued a policy of industrialization and militarization, without cultural Westernization. While in most of Asia, local social patterns were distinctly modified by generations of colonial schooling under the British, French or Dutch, the Japanese managed their own distinctive emotional patterns.

In addition, because Japan entered the empire-building sweepstakes long after the European powers were well established overseas, and only shortly before imperialism became discredited, it never had time to create a true community of overseas colonies. Thus, unlike France and Britain, it did not bind itself to a large number of accumulated (in this case, Japanese) colonies.

No wonder, then, that the Japanese continued to feel uneasy in the presence of foreign

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Members of the Japan Self-Defense Force near Fukushima in Honshu, parading with Japanese-made automatic rifles.

Military Posture Stirs a Lively Debate

TOKYO — Japan recently marked the 35th anniversary of its defeat in the Second World War and signs that it is once again aiming to establish a greater military presence in East Asia. But how much of Japan's new, bolder look is more than window-dressing, and the impact of such a look on the country's security, are matters of considerable doubt.

Prime Minister Zenko Suzuki sparked talk of a bolder posture by unveiling recently a budget that calls for a 9.7-percent increase in military spending during the next year. As that figure exceeds the official 7.2-percent ceiling on spending increases imposed on other ministries, it would seem that the government is giving preferential treatment to the Ministry of Defense.

That fact was ballyhooed in the Japanese press as evidence of the resurgence of Japan's rightists, who are concerned that the U.S. presence in the region is not sufficient to counterbalance the growing Soviet military capability in the region.

But U.S. analysts and politicians were hardly impressed by the expansion proposals. Although the new budget calls for a 9.7-percent spending increase, this amounts to a

"real" increase of only 1.5-4.2 percent over the next 12 months, after inflation is taken into account. As such, it represents a slower expansion of military spending than in the Atlantic Alliance.

Repeated efforts to increase the respectability of Japan's military forces have long been shackled by the fact that Japan's U.S.-designed postwar constitution outlaws the use of military force. That, as well as the deep-rooted pacifism of the postwar decades, has long made the expansion of Japan's military one of the most explosive political issues in the country.

If Japan's military were finally being beefed up in the fashion that many rightists — as well as many U.S. observers — had long hoped for, the news would represent a major turning point in the history of postwar Japan.

Prime Minister Suzuki's announcement was especially galling to Washington, which had been led to expect much more. A private consulting group commissioned by the late Prime Minister Masayoshi Ohira had called for a 20-percent to 30-percent budget increase on July 2.

So when news of the 9.7-percent decision reached the U.S. Senate Foreign Relations Committee, the figure was roundly condemned, by both Republicans and Democrats, as further evidence of Japan's wishy-washy view of defense. And U.S. government officials were accused of not pushing their case with sufficient vigor.

Days later, Ambassador Mike Mansfield reportedly met with Prime Minister Suzuki to convey the American view of the budget, as well as other pressing bilateral matters. Then, according to one analyst, Mr. Mansfield "watered down" the harsh Congressional reaction in his talks with the prime minister.

For the Americans, the situation seems yet another case of "the more things change, the more they remain the same," a rule that so often applies in Japanese public life.

Shift in Balance

Once again, despite severe U.S. pressure, Soviet aggression in Afghanistan and mounting Russian pressure in the sea lanes vital to Japan, it seems that the Japanese have chosen

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Outlook

JAPAN is stumbling over its own success. A economic power has come to claim a larger share of the Western world — so much so that in the United States, for example, moves are under way to curb imports of Japanese cars, have seized a staggering near-25 percent of the domestic market. The story is the same in Western Europe and elsewhere in global attention focusing on Japan's economic power as a giant that must be dealt with. Depending on the use of other Western powers, the next decade could be crucial for Japan.

The political sphere, despite the death of Prime Minister Masayoshi Ohira and opportunity this offered to change the country voted in June to return liberal Democrats to power and end its policies of internal social and economic development. And despite the oil price of over-escalating prices and the fact that Japan is virtually devoid of natural resources and is coming under political pressure from its allies because of its economic power, Japan has so far managed to maintain its delicate and impressive equilibrium.

Outlook, according to an analysis by Organization for Economic Cooperation and Development, is that Japan's growth will slow substantially, accompanied by modest inflation, but a pickup will come in the first half of next year. Of the forecasts dealing with Japan issued by international agencies in recent months, OECD's annual survey has been cited by economists as the most optimistic.

日本

Banks' Results Are Mixed
In New Reporting System

By Stephen Brone

TOKYO — Japan's major banks announced either the best — or some of the worst, depending on how you look at them — results in history for the six-month term ended in March. The confusion arises from new, optional accounting methods that the Ministry of Finance permitted the banks to adopt at the beginning of the year.

Formerly, the ministry required the banks to value their government bonds at either par or market value, whichever was lower. But with the Bank of Japan having raised the discount rate from 3.5 percent to a record 9 percent over the last fiscal year, paper losses were so great that the banks insisted on some kind of relief.

So in March this year the ministry gave the banks a choice. They could value their government bond holdings at either par or market price, not necessarily the lower. The three long-term-credit banks, which usually hold their bonds to maturity, chose to value their bonds at par. The city banks, which often sell the bonds after holding them for one year, were divided in their choice.

The Dai Ichi Kangyo Bank, Mitsubishi Bank, Taiyo Kobe Bank, Kyowa Bank, Saitama Bank and the Hokkaido Takushoku Bank listed their bonds at par value. Fuji Bank, Sanmei Bank, Sanwa Bank, Tokai Bank, Mitsui Bank, Daiwa Bank and the Bank of Tokyo valued their government securities at the current market price.

That has made the profits of the Japanese city banks announced for the half year ended in March a little tricky to analyze. The city banks' cumulative paper loss on their government bonds was a staggering \$1.58 billion (at 220 yen to the U.S. dollar). But only the seven that used the market valuation of their bonds chose to reveal their losses, which among them totaled \$930 million.

The result has been large differences in reports of bank profits for the period. For example, Dai Ichi Kangyo Bank, which chose not to disclose the bond losses, brought in an after-tax profit of \$56.8 million, up 3.8 percent over the previous half year. But Sumitomo Bank forthrightly displayed its losses, and saw a 40.2-percent drop in profits to \$34.25 million, despite a 30-percent increase in recurring income. For what it is worth, the 13 banks together saw cumulative after-tax profits drop 19.1 percent, to \$504 million.

Far more instructive is to examine the banks' net operating income for the period, which ignores securities gains and losses, transfers to or from reserves, or other extraordinary gains or losses. Here the banks showed a healthy \$1.57-billion pre-tax profit, the highest in history, and an increase of 14.3 percent over the previous six-month period.

The major factor behind the jump in real profits was Japanese interest-rate regulations that let the prime rate rise rapidly with the

discount rate while deposit interest rates remained stuck in the mud. That widened the spread on the banks' commercial lending activities to truly generous levels.

There were some interesting differences between the banks here. Leading banks with a much higher ratio of prime customers were not able to raise interest rates as high nor widen spreads as much as the lower-ranked banks, which cater to a poorer class of company. So the less-prestigious banks enjoyed considerably higher profit margins.

Banks, especially the seven that switched to a marked valuation of their government holdings, also sold other securities in their portfolios to generate real profits to offset their losses on government bonds. Fuji Bank generated an enormous \$124.5 million in profits here, while Daiwa Bank racked up an unprecedented 40-percent gain.

But eating away at those gains were real losses incurred by the banks from selling government bonds at distress prices to meet a liquidity squeeze last winter that totaled \$419 million.

A big money spinner in the past, foreign exchange dealing, produced less than stunning results because U.S. dollar interest rates soared higher and faster than the Japanese imagined possible. Although the volume of the banks' transactions rose 14.8 percent to \$248.7 billion, income here fell to 10.8 percent to \$665 million.

Bank Assets Grow

Overall bank assets grew 9.3 percent to \$472 billion, while deposits rose by 7.8 percent to \$404.5 billion. But domestic deposits grew very slowly. Because money was very tight last winter, corporations retained cash for internal financing. Institutions also preferred higher-yielding yen certificates of deposit to bank deposits, which jumped 36.5 percent to an outstanding equivalent of \$13.4 billion.

Instead, much of the growth in deposits came from the banks' overseas branches. This was in part because of reforms carried out by the Ministry of Finance last March that let banks transfer European deposits at their European branches by international institutions back to home offices in Tokyo. The ministry also deregulated the interest rates that the banks could pay on this type of deposit, allowing the banks to offer yields competitive with the Eurocurrency market.

Although the figures are not made public, deposits at the foreign branches of the top five city banks are believed to have ballooned to \$9 billion to \$11 billion each, or about 20 percent of their total assets. Up to two-thirds of the increase in total deposits is thought to have come from overseas.

What does the future hold for Japan's city banks? The recent half year's results are likely to be turned upside down. A slow drop in Japanese interest rates will reduce paper and real

Keeping an Eye
On the Job

An assembly-line worker in a camera factory in Tokyo takes pains to get it right — part of the quality control that has made Japanese cameras among the best in the world.



losses on government bonds. As the yields offered by Japan's competing alternative money markets drop, bank deposits will once again appear more attractive. That will mean less bank reliance on expensive outside means of financing.

But with the prime lending rate having peaked out and deposit interest rates catching up at last, lending spreads will shrink. The great unknown will be foreign exchange dealing, the volume of which seems certain to rise, but the profitability of which remains as elusive as ever.

One major factor that will increase the banks' profitability in the current period is the finance ministry's decision to unleash the country's banks on the international syndicated loan markets. On June 4 it called in representatives of 15 banks most active in international finance and told them that a ban on foreign currency syndicated loan participation that had been in effect since last October had been lifted.

The banks, however, are not out of the forest yet. At the ministry's request, they had submitted leading plans for the April-September period totaling \$8 billion on an annual commitment basis and \$5 billion on an annual disbursement basis. The ministry has limited the banks to 80 percent of this, or \$6.4 billion and \$4 billion, respectively. Syndicated yen lending by the banks is still taboo, except when special circumstances prevail, such as when the money is being used to develop new overseas sources of energy or promote Japanese exports.

The finance ministry also wants to see more attention paid to country risk — its degree of repayment reliability. Only 50 percent of new lending is allowed to go to developing countries. Of the \$30 billion in foreign currency loans that the Japanese have outstanding, 60 percent are to developing countries. The ministry cautioned against concentrating lending to specific countries, such as to Mexico or Brazil.

The ministry pulled the Japanese banks out

of the loan markets last year when both Japan's oil bill and U.S. dollar interest rates started to soar. The fear was that the Japanese banks would not have enough dollars to finance the country's oil imports. The last time that happened, in 1974, Japanese banks competed fiercely with each other for scarce dollars in the Eurocurrency markets. That resulted in "Japan rates," a premium spread of up to an extra 1 percent that was charged Japanese borrowers.

The ministry had originally planned to let the Japanese banks back into the market from April 1. But with the U.S. prime then at 20 percent and the yen still weak, decontrol was postponed. Japanese banks were allowed to participate in only a few syndicated loans in April and May, such as to Belgium and Greece, both top-rate borrowers.

Since then, conditions in international money markets have improved considerably. A 15-percent appreciation of the yen also softened the finance ministry's stance. Bankers have

been informed that if the market bankers will be allowed to fulfill the 20 percent of their lending plans and into syndicated yen lending. That opens fairly soon.

Ministry officials admit in private decision partially to free Japanese banks from cash-starved developments. Apparently the ministry decided dangers inherent in lending to risky countries by Japanese banks were offset by the threat of bankruptcy by these, which provide many of Japan's raw materials.

But is the \$4 billion in lending recently enough to stave off the bankruptcies? One Japanese city bank, that private banks are going to have to up to \$60 billion of deficits caused by one surplus by members of the Organized Petroleum Exporting Countries. With rising oil prices making even that estimate overly conservative, it would appear

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(U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥220=US\$1.)

5-Year Growth of Consolidated Net Sales

(Year ended March 31)
(US\$ million)

1980 8,662

1979 7,742

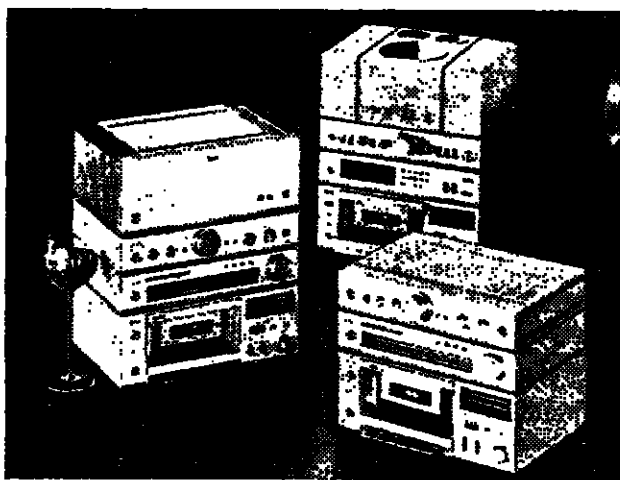
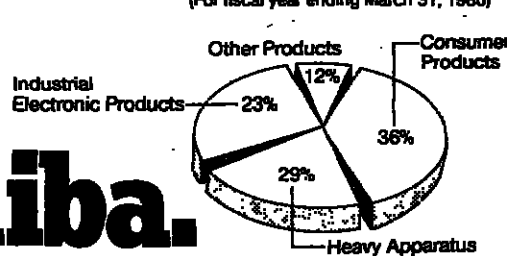
1978 6,840

1977 6,292

1976 5,991

Sales Subsidiaries in Europe: Toshiba International Co., Ltd. (London), Toshiba (UK) Ltd. (Surrey, England), Toshiba Europa G.m.b.H. (Frankfurt/Main), Toshiba Deutschland G.m.b.H. (Neuss), Toshiba (Schweiz) A.G. (Zurich)

Offices in Europe, Middle East & Africa: London, Paris, Stockholm, Berlin, Vienna, Athens, Cairo, Teheran, Jeddah, Kuwait, Johannesburg.

Breakdown of Business Results
By Product Group
(For fiscal year ending March 31, 1980)

Aurix Micro-Component Systems

Consumer Products

When it comes to developing products for the individual consumer, Toshiba has a vast range of electrical and electronic goods. From TV, video and audio systems to lighting and kitchen appliances, Toshiba enriches the lives of millions the world over.

For the hi-fi stereo field, we have applied our micro-electronic know-how to create a Micro-Component series that delivers high performance sound in virtually half the space of conventional systems. Along with this, Toshiba has introduced CQFes, its own cassette deck noise reduction system that effectively lifts recordings to clearer, more dynamic levels.

In addition, Toshiba's colour televisions with exclusive BLACKSTRIPE picture tubes are continually incorporating new TV improvements. To accent the enjoyment of television viewing, Toshiba's Betaformat video tape recorder incorporates programming over a weekly cycle. And our projection colour TV system brings big excitement anywhere with its super-bright 45 inch screen.

Toshiba technology can be seen entering the lives of just about anyone. To some people it means pocket radios and to others it represents microwave ovens. To everyone, however, Toshiba guarantees reliability.

Main Products

Home Appliances: microwave ovens, refrigerators, air conditioners, vacuum cleaners, food processors, electric fans, washing machines, dish washers, toasters, clocks
Video, Audio Equipment: colour TVs, video tape recorders, video cameras, hi-fi components and accessories, radio cassette recorders, clock radios, portable radios
Lighting Appliances: fluorescent lamps, incandescent lamps, special incandescent lamps (halogen/sealed beam)

Heavy Apparatus

Toshiba's heavy industrial know-how generates efficiency — for steel mills, electric locomotives, air pollution monitoring systems and more. A tremendous amount of our newest technology in this sector has utilized computerization for some of the world's largest industrial projects.

Especially significant have been our developments with electrical power generation. To Yugoslavia for hydroelectric advancement, Toshiba has provided a pumped-storage power station (610,000 kW) that boasts the highest head reversible pump-turbine in the world. In another related application, Toshiba has built 13 units of turbine generators for a geothermal power station in the U.S. which utilizes geysers for its source of energy.

For all kinds of industrial equipment Toshiba manufactures for export throughout the world a variety of reliable, efficient motors, including induction, synchronous and DC motors. Toshiba was first in Japan to manufacture electric motors.

At present, Toshiba is working on experimental systems for ocean and solar power generation — and it's not too far in the future when these facilities and many more like them will become a vital part of modern society.

Main Products

Nuclear Equipment: fast breeder reactor equipment, boiling water reactors, nuclear turbines and generators
Transportation Equipment: electric/diesel locomotives, monorail cars, escalators and elevators
Power Equipment: hydroelectric generating equipment, thermal-electric generating equipment, power transformers
Industrial Equipment: induction motors, DC motors, electric equipment for metal, paper processing
Industrial Measuring Instruments: instruments & control systems, radiation monitors for atomic reactors, air pollution monitoring systems, X-ray or gamma-ray thickness gauges

TOSHIBA
TOSHIBA CORPORATION TOKYO, JAPAN

700,000 kW steam turbine is assembled for ship test

Radiographic/Fluoroscopic 90°/11° System

Industrial Electronics

Within the numerous achievements of this sector, Toshiba's microelectronic applications have provided the backbone for many of today's industrial wonders. Our monumental advances with semiconductors, like integrated circuits and LSI's, have enabled us to introduce the world's first CMOS-LSI.

With these miniaturized components at the controls, Toshiba has produced an extensive line of electronic calculators — some of which are capable of remembering names, phone numbers, birthdays and appointments. For office innovation Toshiba has a full line-up of high speed plain paper copiers, office computers and facsimiles. Moreover, we have developed the first document filing system to store up to 10,000 pages of information on a compact, laser-scanning memory disk — with just the touch of a button any page can be quickly printed out.

Toshiba's accomplishments even enter the medical profession with our computer tomographic scanners and ultra-sound diagnostic equipment. Toshiba technology is also proving to be instrumental in the production of satellite communications, labour-saving equipment, aircraft navigational aids and numerous other operations that are moulding the life-styles of today and tomorrow.

Main Products

Communication Systems: broadcasting systems, telephone systems, facsimiles
Information Systems: computers, word processors, data entry systems, computer peripherals & terminals
Business Machines: copying machines, calculators
Labour-Saving Equipment: mail processing machines, banknote processing machines
Medical Equipment: computerized tomography scanners, diagnostic X-ray equipment, ultrasonic diagnostic equipment
Electronic Components: integrated circuits and LSI's, cathode ray tubes, magnetron tubes

日本

Business Leader Describes Government Role

TOKYO — Yoshiya Ariyoshi was formerly chairman of and is currently adviser to Nippon Yusen Kaisha, the Japanese shipping company. Until recently, he was also chairman of the Business and Industry Advisory Committee of the Organization for Economic Cooperation and Development. In the following interview with Ken Ishii for the International Herald Tribune, Mr. Ariyoshi discusses the relationship between government and business in Japan.

Question: How great an influence does the Business and Industry Advisory Committee have over the OECD?

Mr. Ariyoshi: BIAC's function is to provide the OECD with the views of private industry and business. But because member countries face differing situations, it is often difficult for the BIAC to speak with a united voice. I would say, however, that Japan's voice commands attention because of the traditional close relationship between government and business. What the government says and what business says are essentially the same.

In the United States, government and business have conflicting stances. U.S. businessmen generally have little regard for government officials.

The relationship between government and business in European countries is somewhere in between.

Q: What subjects does BIAC take up?

A: Each year, we have a main theme. Two years ago, when I became chairman, it was "Economic Growth Without Inflation." Last year it was "Positive Adjustment Policy," referring to the adjustment the advanced nations are being required to make toward high-technology industries and away from such industries as shipbuilding or textiles and elementary electronics, which are being taken over by the new industrialized countries. These adjustments are difficult, but Japan has been more successful than others. Take shipbuilding, for example. The government two years ago permitted the formation of a "depression cartel"

in the shipbuilding industry under the law for the relief of structurally depressed industries. Under the cartel's protection, the industry cut production capacity by 36 percent, and recovered. In fact, you can say Japan is the only country that has been able to carry out a positive adjustment policy successfully. Britain and France nationalized their shipbuilding industries and are having problems. The British steel industry is also in trouble... and the automobile industry. Europe in general has failed in the kind of positive adjustment envisaged by the BIAC.

Q: Do you attribute Japan's success to the supportive relationship between government and industry?

A: Yes. In the United States, antitrust laws are too severe to allow the formation of a depression cartel. Foreigners do not understand the government-private enterprise relationship in Japan. It is this relationship that gave rise to the term "Japan, Inc." But this is nothing to be ashamed about. For us, it is a tradition.

When the Meiji Restoration began over 100 years ago, the private sector had no capital accumulation or technology, so the government provided funds and hired Westerners to teach the Japanese. Despite its other nation-building obligations — railways, a navy, an education system — the government made a great effort to set up industries. Shipbuilding, silk, mining — all were begun by the government. And when they became viable, they were sold to private enterprise, to men like Yataro Iwasaki and Sumitomo who were willing to shoulder the risks involved. It's wrong to say businessmen made use of the government for their own ends, or that government and business are in collusion.

Q: What about the administrative guidance for which Japanese bureaucrats are known?

A: Japanese bureaucrats are dedicated and honest as a whole. They are dedicated to a national purpose. When they give administrative guidance it is not for personal gain. There is only the national interest in mind, and we

follow that guidance. Foreigners often do not comprehend this. For there are no laws for administrative guidance. Even though the guidance may come from a low-echelon bureaucrat, business listens and obeys. And the important thing to note is that business has not suffered by accepting that guidance. It can be generally said that decisions by the bureaucracy, because of its comprehensive grasp of affairs, are wise.

Q: Is it for this reason that bureaucrats are welcomed into private enterprise after retirement?

A: Government officials are regarded as among the best brains in the country. They tend toward elitism, and have to be graduated from Tokyo University. But the bad aspects can be changed. Foreigners often wonder whether there isn't a *quid pro quo* involved in conforming to administrative guidance. The answer is no. Unfortunately, the quality of bureaucrats seems to drop when they become politicians, which is probably because being a politician takes money. My BIAC colleagues are envious of the Japanese system. But they also point out that it would not work for them.

Another difference between Japan and the West is that Japanese labor unions are company unions, and despite their bombast they are fundamentally loyal to the company. Talks between union and management are conducted within the framework of consensus and compromise that is the foundation of Japanese society. In this framework, the group is important. The company is a group, and to gain seniority one must stay within the group, which is why Japanese do not like to change jobs.

Consensus and the importance of the group means that an idea from the top — like containerization — is sent down to the bottom and works its way up step by step, in the process of which the pros and cons are thrashed out, so that by the time it comes back to me it is everyone's idea, and everyone has become part of the initiative.

Q: Doesn't too much emphasis on seniority obstruct individual initiative?

A: Yes, but the two are not incompatible. Promoting a man in Japan takes a lot of preparation. Personnel must be moved here and there so that the promotion can be implemented naturally without upsetting the seniority arrangement.

Q: How can you say there is still lifetime employment in Japan when people have many useful years left after the relatively young retirement age of 55 or 60?

A: Japanese companies diversify. Nippon Yusen Kaisha's most successful subsidiary is a crocodile farm. The government does the same thing by creating all kinds of auxiliary organizations. This is not done for profit as much as for the sake of human relations. They provide a place to employ people who have reached retirement. This is an extension of the lifetime employment concept.

Q: Do you think the West can copy the Japanese in this regard?

A: No. The differences are too great. The Japanese system is based on patterns of behavior different from the West. Concepts such as *ichin densen* (communication of the mind) and *haragei* (acting on the strength of personality) are alien to Western culture.

Anyone who says "no" in Japan is considered unsophisticated. Such a person is vulgar, immature. The mature person is able to convey his disagreement in other ways.

A good board chairman in Japan knows whether a board member means yes when he says yes, or whether he means no, or maybe. With human relations so ritualized, as in the tea ceremony, one can indicate displeasure by the slightest departure from established procedure.

On our Nippon Yusen Kaisha board, it has never been necessary to take a vote. Nobody has to say yes or no. Decisions are by consensus. This is so in all Japanese board rooms. If it's necessary to take a vote, the company probably is facing bankruptcy.

Retired Stockbroker's Stock of Tiny Treasures From Japan Is on Display in New York

By Rita Reif

NEW YORK (NYT) — Charles Greenfield began collecting Japanese period decor — inro and netsuke — about 50 years ago. This connoisseur of Oriental treasures stopped in his search for the curious, the exceptional and the personally significant as he assembled examples of these wares.

In process, Mr. Greenfield has amassed extraordinary assemblages, each of which did as unrivaled in scope and quality private collections in the United States perhaps, anywhere in the world. Inro, worn boxes, were suspended from a waist-sash, made to carry seals or medallions (four or six compartments; netsuke, carved wood or ivory ornaments, small enough to dis-

appear in the palm of a clenched fist, connected by a cord to the inro).

Now the most distinguished examples of Mr. Greenfield's collections — as well as many of his other larger lacquer boxes crafted to store writing materials, tea or incense — are on view in New York, through Oct. 19, in the Marietta Luitze Sackler gallery at the Metropolitan Museum of Art. The exhibition, "Japanese Lacquer, 1600-1900: Selections from the Charles A. Greenfield Collection," includes 141 objects, most of which have never been exhibited before. They were selected by Julia Meech-Pekarik, associate curator of the department of Far Eastern art, to document 300 years of lacquer history.

Mr. Greenfield, who gave up his seat on the New York Stock Exchange in 1973 when he was 70, has concentrated since his retirement much of his time and energy on these posses-

sions. A lively person whose curiosity seems boundless, he became interested in 1930 in netsuke. He still owns hundreds of these Lilliputian wonders carved primarily of ivory or wood but also fashioned of gold, silver, stones, bone, ceramic and horn to depict human, zoological or botanical subjects. And he continues to buy them if only to pair them harmoniously with his inro.

In fact, he recalled the other day, once he realized the technical and artistic discipline involved in crafting inro, his collector's heart was lost to lacquer in all its manifestations. The exhibition has an excellent visual explanation of how lacquer is executed, showing in photographs how 30 or more tissue-thin layers of lacquers and coloring agents are applied, how each surface is allowed to harden and then is polished with a stone or charcoal stick,

and how the finest works are enhanced by gold and silver flakes sprinkled on their surfaces.

Because most of his inro had become separated from the proper netsuke by the time he had acquired them — a problem all collectors experience in this field — Mr. Greenfield went to great lengths to select more appropriate matches. It does not require a specialist's eye to appreciate the wit of a toy-like fat cat perched on a 19th-century medicine box, the surface of which is embellished with other fat cats. Whether it be an amber chrysanthemum netsuke combined with an inro that is ornamented with persimmons and leaves, or a swollen blowfish fastener topping inro on which a pair of fish are shown swimming, or carved tiny samurai wed to a box enlivened with other warriors, there is a rare harmony evident in the netsuke and inro, not only in the subjects each depict, but also the colors, mate-

rials and the stylistic effects seen. This is one of the pleasures that will make the perceptive viewer linger.

One of the qualities netsuke and inro share is that they were conceived to be studied both by sight and by touch. Netsuke come alive to their admirers when fondled. Although Mr. Greenfield wears gloves when he handles his lacquer objects — lest some surface damage occur, however slight — it is obvious that Japanese artisans knew that they were creating works of intricate design that could be understood as deeply by caressing as by examining them under a magnifying glass. Indeed, the pictures executed in raised, inlaid, depressed, shimmering and matte surfaces cover all parts — front, back, sides, top and bottom — and can certainly not be fully comprehended at a glance.

In his search for rarities, according to Phi-

lippe de Montebello, director of the museum, Mr. Greenfield has been "resourceful and persistent," and has "seldom failed to acquire a piece he coveted." Most of the finest examples of these wares had been purchased decades ago by collectors in the West, beginning in the late 19th century. They had no competition since the Japanese, until recently, had no interest in collecting these vessels.

Consequently, most of what are thought to be the masterpieces of this art form ended up in European or American hands. Mr. Greenfield's appetite could only be satisfied buying worldwide. His collection, which was rich in what had earlier been acquired by Americans, was broadened by his direct purchases from Japan and by the acquisition of lacquers from the collection of the late Demaree and Dorothy Bess, who had purchased most of their treasures from European sources.

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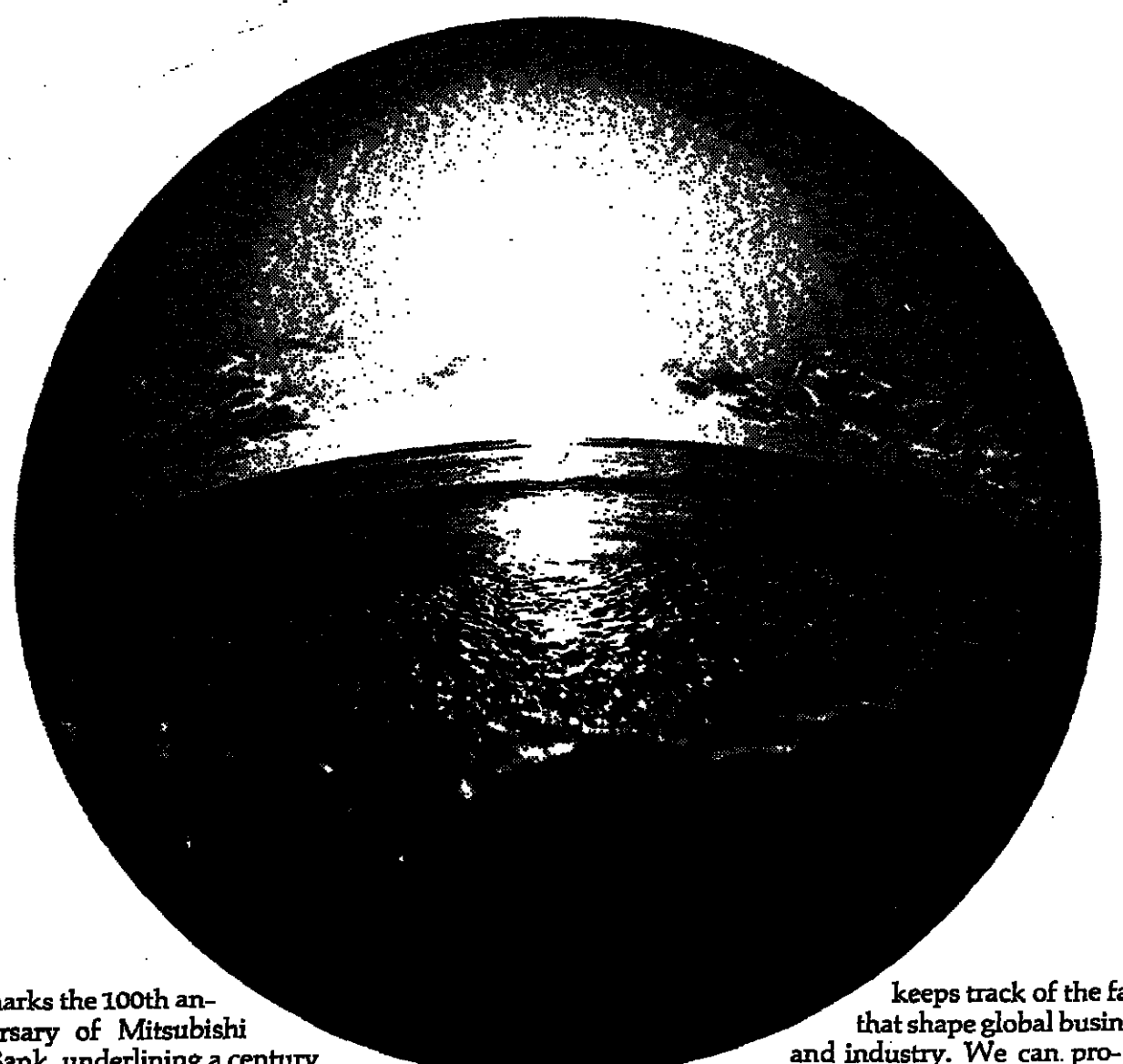
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日本

Japan's Trade Surplus With West Is Still Rising; 'Relief' Sought in U.S.

By Jennifer Morris

U.S. — The three economic giants — the United States, the European Economic Community — compose a powerful triangle shaping the international trading system, and observation that the Far Eastern may prove to be crucial in coming months.

Despite assurances by the Japanese government that the country's imbalances with the United States and the Common Market improve in 1980, figures released in July show Japan's surplus is once again rising and that companies reporting record profits based on EEC-Japan trade imbalance slightly, from \$6.3 billion in 1979, but figures available in 1980 show Japan ahead by \$1.1 billion in July alone. The deficit with respect to Japan in 1979 was \$4.1 billion, and the deficit for the January-May 1980 was \$3.7 billion in

committee of the House of Representatives, the proposal predicts that the U.S. deficit with Japan may widen "dramatically" and points out that Japanese business practices make it difficult for the United States to provide some goods and services such as beef and computer information.

Foreign officials and businessmen in Japan agree that part of the problem is that the Japanese market is a tough one to crack with its emphasis on racial and cultural homogeneity, its close cooperation between government and business and its policy of export-led growth. These characteristics and other so-called nontariff barriers, such as the distribution system, procurement policies, standards and product certification, make accessibility to the market more difficult. But the number of successful American and European ventures prove that the market is not a "closed" one, albeit not as open as many Japanese claim.

The Trade Study Group, composed of Americans and Japanese working together to identify trade difficulties and improve relations, wrote in its 1980 report: "We recognize that even the elimination of nontariff barriers would not have a dramatic effect on U.S.-Japan trade, at least in the short run. There are more fundamental and difficult steps to be taken to reduce the trade imbalance, particularly on the side of the United States." The elimination or reduction of these "irritants," however, could improve the tone of negotiations on larger issues and exhibit the willingness of the Japanese to correct the imbalance, Trade Study Group members said.

A key to successful entry into the Japanese market appears to be to comply with the regulations while supporting groups that are

working toward a freer market. The Trade Study Group, founded in late 1977, is an informal association of businessmen and volunteers from the U.S. Embassy, the Ministry of International Trade and Industry, the Japan External Trade Organization, the Federation of Economic Organizations (Keidanren) and others.

Businessmen say that large foreign companies with ready capital have better success initially, although returns on investment may take several years. Greater government support for smaller companies has been suggested, and in the case of U.S. enterprises, this boost would require changes in laws that restrict the commercial activity of banks.

U.S. businessmen complain that the close government-business ties in Japan, which date from the rapid industrialization during the Meiji Period (1867-1912) and again in the post-World War II period, constitute a vertically oriented, so-called Japan, Inc. To the Japanese, the traditional acceptance of authority has made government direction seem less like interference and more like a legitimate involvement in one's own investments.

Japanese officials lament that the U.S. government does not push its interests consistently, except in areas that have political implications, such as automobiles. Foreigners and Japanese alike say more effort is needed to increase market compatibility and to keep from focusing on what one U.S. businessman called the "crisis of the year."

EEC Spokesman

A spokesman for the EEC Commission's delegation to Japan said in a recent interview that "legally, there are no nontariff barriers in

the GATT [General Agreement on Tariffs and Trade] sense. But there is no doubt that Japan's economic power in the world has led people to have expectations that have not been realized."

While Americans and Europeans are expecting Japan to behave as a major economic power, the Japanese public tends to underestimate Japan's international position, taking the stance that massive exports are vital to keep them alive because Japan is a small island nation with many people and few natural resources.

The concentration of Japanese exports in crucial industries, including textiles, steel, electronics and automobiles, has long posed a problem to Japan's trade relations. Threats of protectionist action surface occasionally, especially when ever one of these "crisis" issues starts affecting the livelihood of workers. Continuing unemployment and recession abroad mean that efforts by Japan to increase its imports of manufactured goods will have to proceed more aggressively, foreign government sources say. Manufactured goods account for only 25 percent of Japan's imports, compared with 60 percent of the U.S. total and 46 percent of the EEC total, according to EEC figures released in May.

"There is no protectionist drive now in Europe, but it is not hard to imagine that in the autumn there's going to be the risk of a hell of a row" over Japan's failure to maintain the "stability" it achieved with the EEC in 1979, a Common Market official said. "What America does today, we do tomorrow. And vice versa. Industrial cooperation — not protectionism — is what we're striving for."

A spokesman for the American Chamber of Commerce in Japan said, "You have a whole genera-

tion of bureaucrats who've been trained that 'foreign is bad, Japanese is good.' They're export-oriented. Now they're being told to import, and they're digging in their heels."

Middle-level bureaucrats, who are usually in their 40s and 50s, have considerable freedom in interpreting regulations. This power structure sometimes conflicts with senior-level officials who make bilateral agreements to loosen market restrictions.

A U.S. Embassy official said that many nontariff barriers have developed over time, reflecting the uniqueness of the Japanese market, and "in most cases were not deliberately used to prevent imports." The distribution system, with its numerous middlemen and close ties between wholesalers and retailers, reflects the fragmented

retail system with its many small neighborhood shops.

These "mom-and-pop" establishments — 62 percent of Japan's 1.6 million retail shops in 1976 — carry a wide variety of products but keep small inventories. Because frequent deliveries are necessary, domestic manufacturers have found that they can more easily meet these shops' needs. As a result, "the majority of U.S. manufacturing companies in Japan built their local plants as the only feasible means of meeting [these] market conditions," according to a white paper by the American Chamber of Commerce entitled "U.S. Manufacturing in Japan."

While some foreign companies established their own distribution systems, others found the Japanese structure advantageous. Edgar Duerholt, executive director of Fine Cosmetic Co. Ltd., the Japanese-German joint venture for

Wella hair-care products, called the extensive wholesaler system a "prepared nest" for the introduction of his product to professional salons. "One of the key factors to our success is that we did not need to establish a new distribution channel," he said. "The important thing is not to say that we did it one way at home, so we'll do it that way here. If you want to swim against the stream, you'll have problems."

Wella products' sales (less returns) for 1979 reached \$86 million (the U.S. dollar equals 220 yen) and the company holds 14 percent of the hair-care market in Japan, making it one of the top manufacturers.

Cosmetic Empires

In addition to the fierce competition from Japan's two cosmetic empires — Shiseido with 32 percent of the market share and

Kanebo with 19 percent — another "nightmare" is the number of government regulations for product certification. Fred Langhammer, president of Estee Lauder's Japanese company, said. Each ingredient in health-care products and processed foods must be approved, with the testing completed in Japan. Registering a new or modified product could take a "couple of years and cost a fortune," the U.S. cosmetic executive said. "By the time you register it and import it, your fashion statement is out of date. You have a logistics problem."

The situation may improve, however. In December, 1979, U.S. and Japanese government officials signed a joint agreement on standards, testing and certification activities, calling for the sharing of test data and for the public notification of any proposed new or revised standards.

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Self-Image Seen Becoming More Positive

continued from Page 75

as they surged into international prominence, they redefined themselves.

Though many of today's popular Japanese books read much of the decades past, the old mood of the literature are changing. The 1950s and 1960s, the projected view of the Japanese poor, weak and vulnerable, was reflected in the personal use of the period. Even high is frequently apologized for the ways of doing things, except that Japan's history and an required such quaint be-

with the recent emergence of an, after two oil crises, as the resilient and often most innovative manufacturing economy, Japanese and the foreign ex-

perts who explain their ways have stopped apologizing for them.

That transformation is reflected in a book by Prof. Ezra Vogel of Harvard University, "Japan as Number One," in which Japan's performance as manufacturer and its homogenous society are chronicled in detail. Moreover, Dr. Vogel asserts, in a style and tone uncharacteristic of *Nihonjinron* writers, that the rest of the world can learn a good deal from Japan.

To be sure, Dr. Vogel is not the first foreigner to tell the Japanese that the future is theirs. Herman Kahn made a big hit, with his "Emerging Japanese Superstate." But that book did not go nearly as far as Dr. Vogel's in praising both the social and industrial organization of Japan. Nor did it suggest that Japan's record of tranquility and productivity could serve as a standard of

accomplishment for the remainder of the industrialized world.

It is no longer such a common practice among *Nihonjinron* specialists to denounce the darker side of Japanese society. The lack of individuality, the inattention to environmental niceties and the inability to complain about abuses from above — all of which once set many observers against the Japanese — are now seen as insignificant factors or even virtues. In the light of competition with Europe and, particularly, the United States, the exponents of Japanese "uniqueness" now emphasize the country's better distinctive qualities.

"The Japanese don't accept poor quality," wrote one American journalist after a visit to a Japanese factory. "It's their attention to detail, quality and productivity that make the difference. American industry has to learn."

Where does that concern for dependability draw its strength? In the unique *wetso* quality of life, or unique tribalism?

The only thing that is clear is that, whatever the Japanese are doing uniquely, they'd better keep it up. As Dr. Mauser put it: "The Japanese [harmony with nature] view of the world may be more compatible with the emerging Einstein relativity of tomorrow than the Aristotelian absolutism of yesterday. The linear approach may now be limiting the West in its effort to adapt to relativity, for we

increasingly hear that the West is lagging. Japan's remarkable postwar performance is impressive evidence of how nonlinear adaptability and superior intuitiveness wedded to the orderliness and efficiency of linear arrangements can carry the day."

That does not suggest that Japanese and foreign observers are totally at ease with the newly confident image of their uniqueness. Many industrialists recognize that, so far, Japan's remarkable industrial achievement has been dependent upon the importation — and improvement — of technologies from overseas. Sadly, creativity has not been one of the factors prominently mentioned by either foreign or Japanese observers of the country's special character. As the research and development director of one major electronics firm puts it: "To date, we have proved our productivity and improved our self-image by treading in the footsteps of others. Increasingly, we will have to go it alone, and forge new paths."

Gradually, Japanese industries are devoting more of their resources to highly original products. But, as Prof. Mauser said, "The Japanese must convince themselves that they are a creative people. They have handicapped themselves by believing that the West has some sort of monopoly on creative gifts." Perhaps it will be the next wave of *Nihonjinron* best-sellers that turns the tide.

Herald Tribune

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Military Role a Topic of Debate

Continued from Page 7S
sen a *tsunami* — "free ride" — courtesy of Uncle Sam.

While the Americans were able to grin and bear Japan's "free ride" so long as U.S. preeminence in the Pacific was evident, the balance of economic — if not military — power, between Japan and the United States has radically changed in the last few years.

"The defense issue is clearly related to the economic issues that divide the two countries," said one observer in Tokyo. So long as Japan's trade surpluses with the United States continue to mount, and unemployment in Detroit is directly linked to Japan's unprecedented ability to sell its cars in the United States, the Americans will insist that the Japanese shoulder a greater share of its own defense.

Why do the Americans believe that more Japanese expansion is overdue? Although the Japanese military budget is the sixth largest in the world in monetary terms, 60 percent of the total outlay is devoted to personnel costs, which are exceptionally high because of the absence of a draft and Japan's elevated prices.

Worse, the military budget, as calculated by the government, amounts to only 0.9 percent of Japan's gross national product. (By the standard method of calculation used elsewhere, it would amount to considerably more than 1 percent, but still fall far below levels of the North Atlantic Treaty Organization.)

Next year's expansion will hardly improve such figures. At 2.4 trillion yen (almost \$11 billion), or an estimated 0.91 percent of the gross national product, Japan's military budget will still be below 1 percent of the gnp.

Because of its small size and

highly concentrated population, Japan is particularly vulnerable to the ravages of nuclear warfare. A few well-placed warheads delivered to the 2 percent of Japanese territory on which almost 70 percent of its 115 million people live would destroy Japan as a military or economic force.

The Japanese are counting on America's nuclear umbrella to prevent that. The objectives of Japan's own military force are more limited: to hold off a nonnuclear strike and to preserve the vital sea lanes through which Japan imports most of its industrial raw materials and foodstuffs.

To accomplish those goals, the Japanese are planning to upgrade the quality of their military equipment. Among the U.S.-made items to be ordered are Grumman E-2C early warning aircraft, Lockheed P-3C Orion antisubmarine patrol aircraft, and McDonnell Douglas F-15 Eagle fighter planes.

Conspicuous Plans

One of the most conspicuous new plans calls for the formation of a special Air Self-Defense Force (ASDF) unit modeled on the famed "Aggressor Squadrons" of the U.S. Air Force. The special unit, to be called the "training squadron," will be the first to fan out Japanese pilots with the known standard tactics of Soviet and Warsaw Pact air forces.

But these improvements will still leave the Japanese years short of the modernization goals projected by many observers a decade ago.

At the U.S.-Japan administrative-level security consultations held in Hawaii in July, American officials cited three fundamental weaknesses in Japan's military capability for which added funds will be required:

- Insufficient antisubmarine and air capability;
- Inadequate "resistance and endurance";
- An insufficiently unified command structure for ground, naval and air forces.

In the legislative elections held in June, the ruling Liberal Democratic Party consolidated its hold on power. As conservatives now run both houses of the Diet (parliament), one might have expected them to act with a free hand, especially since Japanese public opinion has shown more signs of accepting a strong military posture.

Rightist critics have, one by one, come out of the closet as a full-scale debate on Japan's military role has opened up for the first

time since the end of World War II. A scholar, Ikutaro Shimizu, has even suggested that Japan is "irresponsible" for not joining the nuclear club. Others have suggested that some sort of military conscription, long anathema in Japan, be instituted to meet the Soviet challenge.

Even Japan's Foreign Ministry, which has long tried to avoid mentioning the possibility that any country might threaten the interests of Japan, has openly called for a stronger military posture, to maintain the military balance between East and West.

"It is correct," editorialized the newspaper *Sankei Shimbun*, "that the Foreign Ministry thinks that the role of diplomacy and the strengthening of defensive power as a deterrent are essential for the maintenance of Japan's security. Peace diplomacy, the role of which has been greatly emphasized until now, cannot produce any real effect unless it is backed by defensive power strong enough to repel foreign aggression."

No Consensus

This does not imply, however, that a Japanese consensus supports all-out military expansion. For many Japanese, military power and militarism are synonymous. Expansion overseas and military control over civilian politics at home seem to many the inevitable byproducts of a larger military budget. "We should avoid arguments that have no sense of balance," editorialized the *Yomiuri Shimbun*.

Hideo Matsuoka, a columnist, wrote: "The new military budget reminds me of the so-called 'extraordinary budget' that preempted the national treasury from the Japan-China War to the Pacific War. The 'extraordinary budget' was a lump-sum request from the military, which said that the amount was necessary for national defense. Neither the Cabinet nor the Diet was allowed to question the contents of the military spending, which was claimed to be top secret. ... The 'extraordinary budget' grew at the expense of nonmilitary appropriations and civilian welfare."

Some liberals have called for greater foreign aid in place of increased military spending, stating that the Japanese ratio of foreign aid to gnp is less than one-half of that in France and Britain, and substantially lower than that in West Germany and the United States.

—A.F.



An auto factory in Tokyo: The Japanese are heading toward 25 percent of the U.S. market.

Auto Collision Course Feared

Continued from Page 7S
same levels as before the dispute — to invest in production facilities in the United States and/or to enter into joint production agreements with American makers.

Although no one has said it officially yet, the prospects of similar types of investment appear to be high on the list of reasons why both the U.S. auto industry and American government are increasingly leaning toward some sort of orderly marketing agreement.

Toyota announced in June that it had reached a general agreement with Ford to establish a joint production venture (with a monthly capacity of at least 20,000 units) in the United States. There are

those who contend that the announcement was a ploy, timed to coincide with President Carter's visit for the funeral of Prime Minister Masayoshi Ohira, who died June 12.

Somewhat Wary

The Japanese auto industry is somewhat wary, however, of the powerful potential and the resilience of its U.S. counterpart. "Although currently experiencing great losses," noted a Tokyo industry official, "American makers have demonstrated in the past their ability to innovate and bounce back."

Even by the most optimistic estimates, however, the U.S. auto in-

dustry — which is investing billions to develop new technology and upgrade production facilities — will need between three and five years to recover from its prob-

New Vigor by Tokyo in Foreign Policy

Continued from Page 7S

Carter and Chairman Hua Guofeng attended Mr. Ohira's funeral earlier this year, some observers are beginning to ask whether it really served the Japanese national interest.

Support for the United States in Iran risked the future of valuable investments, and has reduced Japan's already low degree of bargaining power with Middle East oil producers.

The Japanese have now discovered that while they were cutting back on economic relations with the Soviet Union the more experienced Western Europeans were using the chance to expand their economic position there. One estimate claims that the sanctions, now reportedly thawing, cost Japan the chance for six or seven large plant projects worth almost \$2 billion.

Coal, Timber Unhurt

Japan's important trade with Soviet Siberia — mainly coal and timber — remains unhurt, but Tokyo has lost chances for expansion — although there is a growing impetus to restore Japan's economic standing in Moscow.

Few observers in Tokyo expect any early improvement in the political relationship with Moscow, however. Concern over Soviet military might in the Far East is now the clearly established focus of Japan's defense policies, and it is not alleviated by the frequent incursions of Soviet military planes and

Economic Thaw Toward Russia Is Said to Begin

sea vessels near Japan's territorial limits.

On the diplomatic side remains the nagging dispute over Japan's claimed "northern territories" — islands to the north that Japan lost to the Soviet Union after World War II. The positions of both sides have grown increasingly irreconcilable over the years, and there is virtually no prospect of an early solution.

As long as the dispute remains unresolved, many in Japan, particularly on the nationalist right, are determined that there will be no improvement in relations. They find great support, naturally, for their position in Peking.

This, in turn, inflames Soviet anxieties about a Japan-China anti-Soviet alliance.

Whether Japan would ever want to be an active participant in big-power diplomacy is doubtful. The Japanese retain a low profile in the United Nations, even though after World War II they are the largest contributor to its funds.

It was only three years ago that Japan was defeated by Bangladesh in the vote for a nonpermanent seat in the UN Security Council. Japan's ambitions to be recognized

as a Council permanent member remain as remote from fulfillment as ever.

And Japan is finding that distrust of its motives and remains in Southeast Asia. The Pacific Basin concept received cold reception by the A-bloc, and it is only six years since a Japanese prime minister triggered riots in Bangkok.

Any move by Japan to cast itself as an independent power would have to be in that region, but ASEAN, showing that it is just as intent in links with distant Western powers as it is with Japan.

The one area where there has been a marked improvement in Japan's international standing is the industrialized West. Japan plays an active role in the summit of advanced industrial nations, the Organization for Economic Cooperation and Development and other organizations designed to coordinate the policies of the larger Western economies.

The Japanese now counsel with Western European governments on a range of issues including relations with the United States. They are particularly fed by what they see as the decline in Western European interest or even dislike for and feel that they can now at least as equals.

For Japanese with long memories, that is an important gain.

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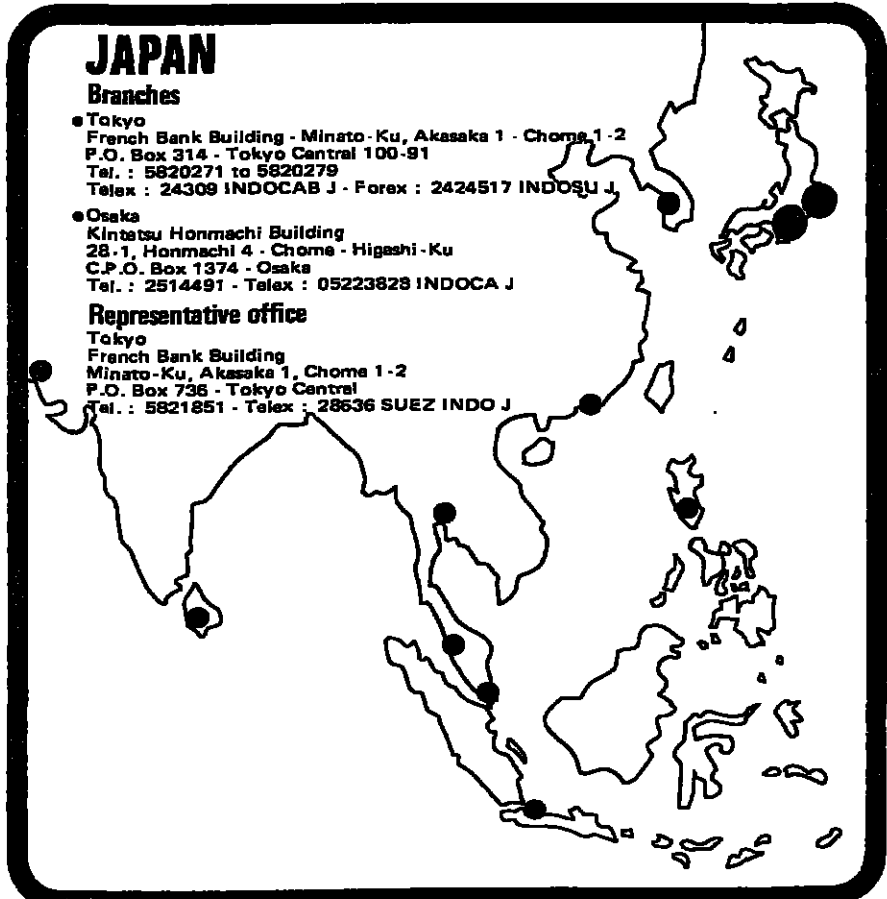
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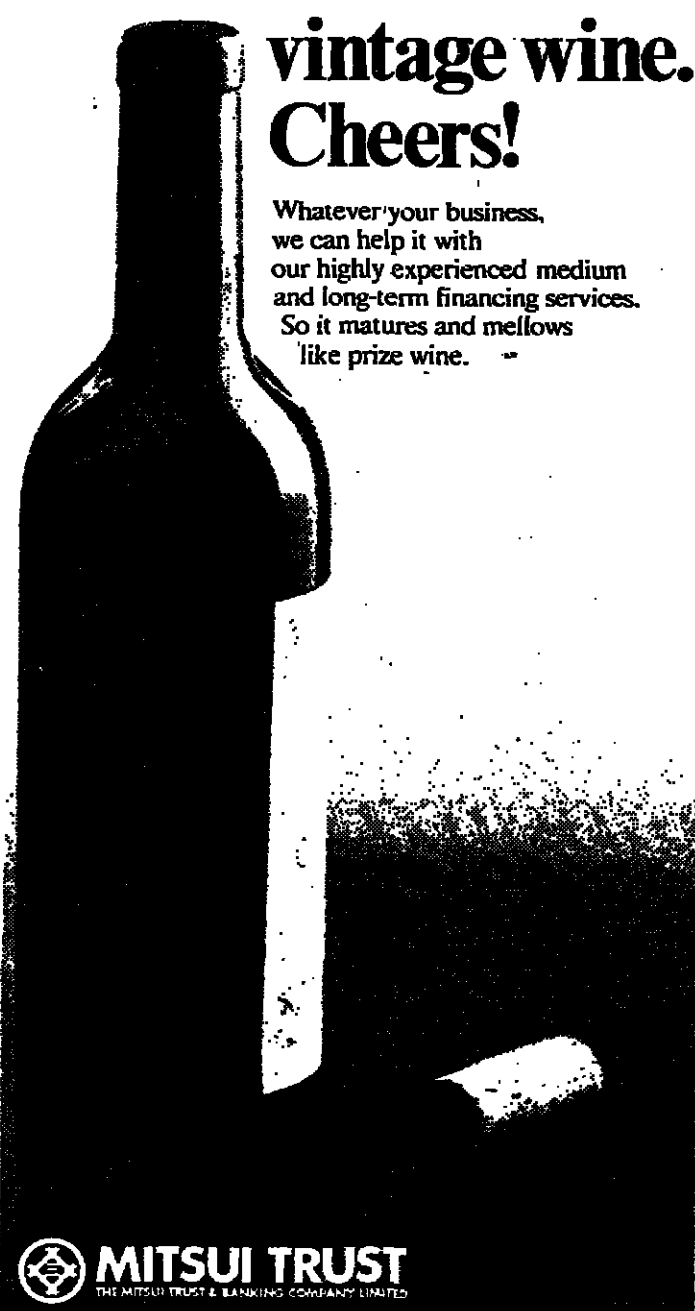
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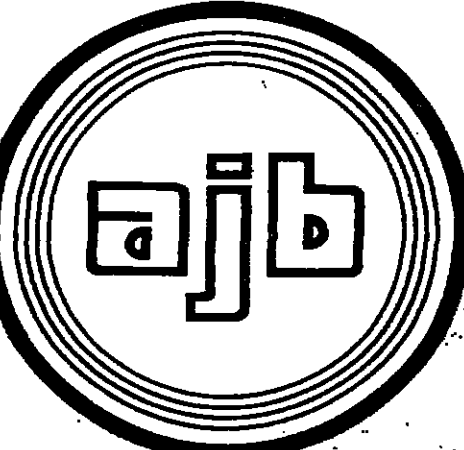
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Extract from Audited Accounts

	29th Feb. 1980	28th Feb. 1979
Share Capital	10,000	7,000
Retained Profit	6,521	5,480
Subordinated Loans (Equivalent)	10,010	12,353
Deposits	425,555	423,473
Loans	236,685	240,388
Total Assets	465,401	458,622
Profit before Taxation	3,454	3,612
Profit after Taxation	1,475	1,621

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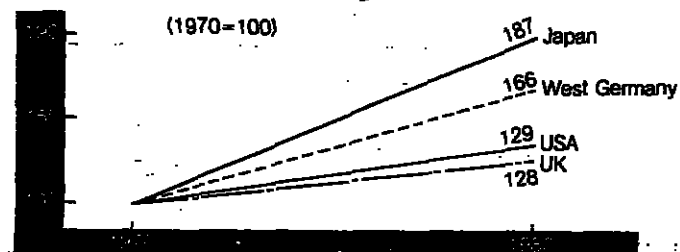
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- High productivity

Growth of Productivity Index

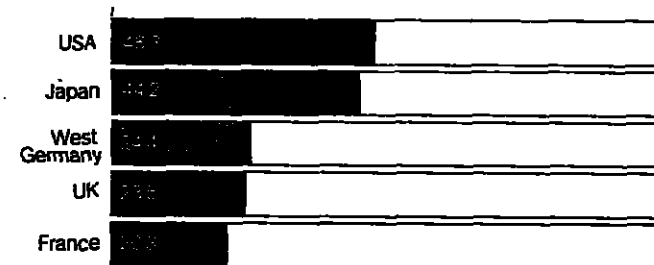


The Japanese industries have faced a number of economic difficulties in recent years—the energy crises, economic stagflation, the yen appreciation, and so on. Continuing efforts to increase productivity through various rationalizations have allowed Japan to maintain its highest labor productivity in the world.

SOCIAL FACTORS

- Effective management
- Good labor-management relations
- High worker morale
- High level of education
- Good government/business cooperation

High Level of Education (% of College Graduates)

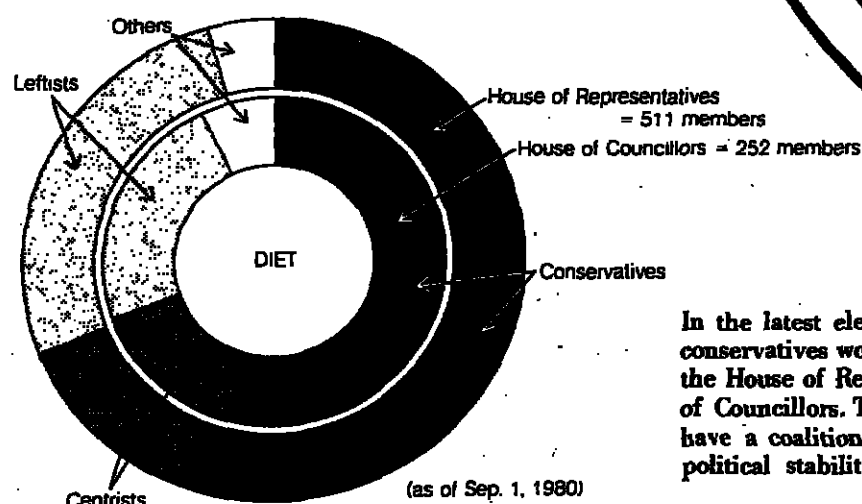


The labor force in Japan is both highly educated and well-trained. Such skilled labor contributes greatly to the production of high quality goods.

POLITICAL STABILITY

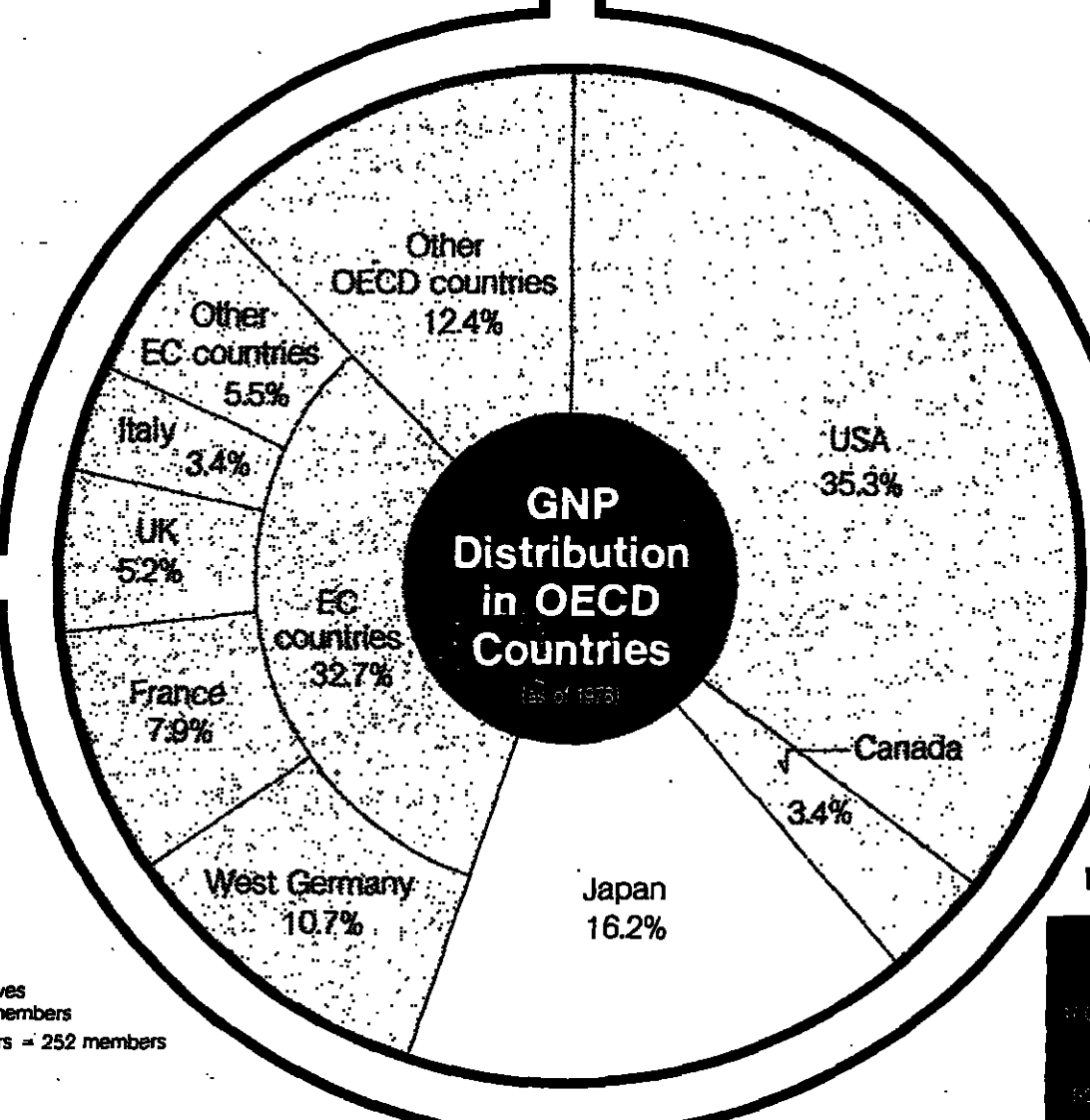
- Stable conservative government
- Growing importance in world economy

Political Distribution after the Latest Election



In the latest election, held in July 1980, the conservatives won decisive majorities in both the House of Representatives and the House of Councillors. The fact that Japan does not have a coalition government assures its political stability.

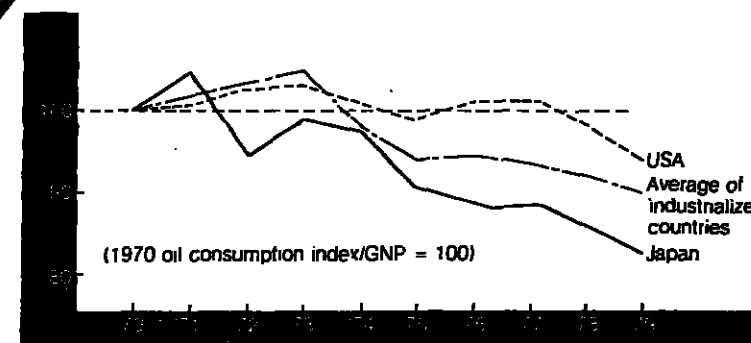
GNP Distribution in OECD Countries



ENERGY EFFICIENCY

- High energy-saving consciousness (Target: 7% saving per year)
- High degree of energy-saving technologies

Reduced Energy Consumption



For the last few years, Japan's industries have made strenuous efforts to save energy. These energy conservation efforts have been quite successful, with the result that Japan now gets maximum production at minimum costs.

(Source: NRI)

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(Continued on Page 18)

مكتبة ابن بطوطة

Reichhold Long Shot Pays Off in Oregon

Pamela G. Hollie
New York Times Service
HELENS, Ore. — Eight months after Reichhold Chemicals Inc. began drilling for oil in the St. Helens area, the company is celebrating a major success.

Not for a song, said Richard Stearns, president of the company's five-year-old oil division, Reichhold Oil Co. The company has found a large oil field in the St. Helens area, which is a major breakthrough for the company.

Reichhold, which has been slow to modernize, to develop new products or to institute aggressive marketing. But under Peter Fass, who became Reichhold Chemicals president in 1975, the company has begun to attack its problems.

This year Mr. Fass began cutting the work force, eliminating product lines that used outdated technology and shutting inefficient plants. Since 1975, he has been trying to encourage diversification and innovation. Not only did he encourage the search for natural gas in Oregon, he also supported the use of landfill gas at the company's Azusa, Calif., plant. Now about 85 percent of that plant's energy needs are produced from the decomposition of organic wastes from sanitary landfills. The company has also contemplated drilling for natural gas in Kansas City.

Despite the innovations, Reichhold, which makes synthetic resins, industrial chemicals and related products in 42 plants in 23 states, is particularly vulnerable to economic downturns because more than 50 percent of its sales come from the construction, transportation and leisure industries that use synthetic resins. These resins account for 60 percent of the company's sales.

In the second quarter of this year, Reichhold Chemicals suffered a sharp drop in profits, with income of only \$204,000 on sales of \$213.2 million, compared with a profit of \$3.8 million on sales of \$227.7 million a year earlier.

In 1979, Reichhold earned \$12.2 million on revenues of \$874.9 million, higher sales than in the same period in 1978. With Reichhold's 1980 performance not expected to better last year's, Reichhold Energy could contribute more than 40 percent of the parent company's earnings this year.

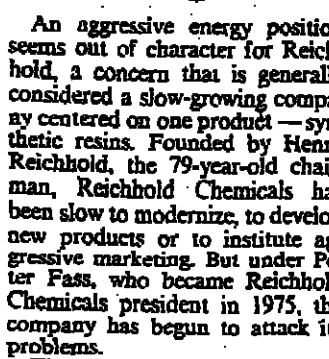
While Reichhold can now pat itself on the back, the natural gas exploration project struggled to survive. Initially, Reichhold leased more than 75,000 acres as possible drilling sites. The budget was to be \$1 million for each of three years, about 20 percent of the natural gas bill for the St. Helens plant.

In the natural gas bill had climbed to \$4.5 million a year from \$1.25 million. Without cheaper supplies of natural gas, Reichhold, like Shell, would have had to close the plant. Without its own natural gas supplies, Mr. Beardsley, executive vice president of Reichhold Energy, estimates the gas bill would be \$14 million this year. This year, the bill is \$10 million. Next year, it will be \$9 million.

In 1975, Reichhold Energy drilled four dry wells that prompted the corporation to change priorities. "We got one-fourth of the drilling budget," Mr. Beardsley said. Reichhold's drilling partners, including Northwest Natural Gas, began losing interest. By 1977, the budget was too small to do much. When Diamond Shamrock took a partnership and pulled out of the project, three more wells were dug. In late 1978, Northwest Natural Gas re-entered a partnership with Reichhold Energy, and two more wells were dug. "We were getting desperate," Mr. Stearns said.

But in May, 1979, Reichhold hit natural gas in Mist, 23 miles from the St. Helens plant. Now, with five wells operating and two more coming on stream, the St. Helens plant is self-sufficient in natural gas, its chief raw material.

The Growth of Mead's Advance Systems Group



U.S. Forest Products Firm Bets on High-Tech Branch

DAYTON, Ohio — Mead Corp., the giant forest products company, is betting that a small, speculative inkjet division has in the high-technology arena will turn out to be its best hope for growth in the 1980s and beyond.

The company's six-year-old Advance Systems Group has emphasized two areas: information storage and retrieval, and ink-jet printing. The group's best-known products are two computer-derived data-base systems — Lexis, a legal research service, and Nexis, a news research service. The formal opening next week of a new Dayton computer center, Mead Data Central, is evidence of the company's faith in high technology.

In 1979, the group registered sales of \$34.1 million, or 1.3 percent of Mead's \$2.6-billion revenue total. The group contributed \$4.3 million of Mead's \$234.7 million in earnings before taxes in 1979.

Mead executives, however, are not as concerned right now with sales as they are with putting new products on the market and keeping confidential some products still in incubation.

"We're on the threshold," said Mead Chairman James McSwiney. "The next 12 to 18 months should tell us something."

"A Pea in Mead" — George Boyd, an analyst who follows Mead for Kidder, Peabody & Co., commented: "You've got to keep in mind that Advance Systems Group is a pea in Mead; it's very small. But Lexis has got a really good position in the marketplace. Nexis obviously is competing with other products, like the New York Times Information Bank, and time will tell if Mead can develop it as well."

Mr. Boyd and other analysts said Mead was attempting to position itself for the future. Since its paper business is a slow-growth, cash-intensive business, the company needs to introduce a faster-growing element into the corporate mix.

Mead Digital Systems is the division that markets an ink-jet printing method under the brand name Digi. Ink-jet printing is a non-contact method that uses ink under pressure and computer-driven electrical charges to determine the shape of characters.

IBM introduced the technology, but it has had difficulties in the marketplace because the definition of the characters is sometimes not as precise as with other processes.

Mr. Boyd said: "I'm led to believe that the business is growing very rapidly. It's a high-technology area with a lot of promise and potential. If it works it could become an important part of the company's profits."

Finance Ministers Support EEC Oil Deficit Loan Fund

LUXEMBOURG — EEC finance ministers agreed Sunday to push forward plans for a new multibillion-dollar Common Market loan fund to finance oil deficits within the community and in the developing world.

At an informal meeting here, they also drew up a common EEC position on petrodollar recycling for the International Monetary Fund annual meeting in Washington next week. That meeting is expected to be dominated by demands from developing countries for assistance in meeting heavy oil deficits.

Italian Treasury Minister Filippo Pandolfi, who is also chairman of the IMF's interim committee on monetary reform, said the IMF meeting should discuss ways of improving and extending loans to developing countries in conditions tailored to the countries' needs.

The new EEC loan fund, which could reach about \$10 billion, is intended to replace the community's existing \$3-billion oil fund, set up in 1975 and already used to make loans to Italy and Ireland.

Money would be raised on the international financial market or directly from oil producers, Mr. Pandolfi said. Two important elements in the new EEC fund would be the use of the European Currency Unit as the vehicle for borrowing, and the application of conditions to force borrowers to reform their economies in order to avoid heavy oil deficits.

EEC finance ministers, meanwhile, will examine their petrodollar recycling project at a formal council meeting next month. The first two years of the European Monetary System's operation end next March, and at Sunday's meeting the ministers agreed that it had worked well so far in promoting currency stability within the EEC.

But Luxembourg Finance Minister Jacques Santer, who chaired the meeting, said there was a consensus that deadlines for further progress toward monetary integration set two years ago should not be too rigidly imposed.

There was agreement that the EMS should be further consolidated on its present basis, and Luxembourg, as president of the European Council, will make proposals for this at an EEC summit meeting in Luxembourg in December, he said.

In the meantime, ministers agreed that the goal of setting up a European monetary fund by March was no longer realistic, posing political and monetary problems. West Germany's Bundesbank, in particular, is loath to cede decision-making to a supra-national body of this sort, monetary sources said.

Britain continues to withhold any commitment to joining the EMS, and the possible entry of Greece, which joins the EEC next year, is a problem still to be discussed.

Dutch Trade Deficit Falls Slightly in July

THE HAGUE — Dutch trade showed a deficit of 1.05 billion guilders (about \$536 million) before seasonal adjustment in July, against shortfalls of 1.65 billion in June and 475 million in July, 1979, central statistics office figures show.

The deficit in the first seven months of 1980 rose to 3.81 billion guilders from 2.26 billion in the 1979 period.

Exports rose 1.5 percent in July, but imports climbed 2.1 percent, central statistics office figures show.

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COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Britain	
4 Months	1980
Revenue	22.1
Profits	2.93
United States	
2nd Quarter	1980
Revenue	1,230
Profits	16.72
Per share	1.49
4 Months	1980
Revenue	2,130
Profits	28.09
Per share	2.50
General Mills	
1st Quarter	1980
Revenue	1,090
Profits	44.2
Per share	0.88

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CALL FOR TENDERS

For the supply and erection of Power Transmission Lines required for First Phase of Drainage Project in Zone 1/1 of the Lower Euphrates Valley.

- The Ministry of the Euphrates Dam in the Syrian Arab Republic expresses its desire to receive offers for the supply and erection of about 1125/ km. Power Transmission Lines of 120/ kv, needed for the Mechanical and Electrical Equipment mounted on 175/ wells related to Phase 1/1 of Drainage Project in Zone 1/1 of the Lower Euphrates Valley located between Deir El-Zour City and the Iraqi borders on the Right Bank of the Euphrates River.
- Required Works:
 - Supply and Erection of about 1125/ km. Power Transmission Lines of 120/ kv. (First Phase).
 - Supply and Erection of all the Electrical Equipment and supplements related to the said Power Transmission Lines.
 - These works shall be executed according to the Designs shown in the Contract Documents and the Working drawings which will be delivered afterwards.
 - Maintenance of the Power Transmission Lines during the guarantee period.
- Documents of the Contract:

Contract Documents can be bought from the Ministry of the Euphrates Dam, Malki St., Damascus for Syr. L/500/.

Said Documents consist of:

 - Volume 1 includes:
 - Form of Tender.
 - Form of Contract proposed to be signed.
 - Instructions to Tenderers.
 - General Conditions.
 - Particular Specifications.
 - Volume 2 includes:
 - Technical Specifications.
 - Volume 3 includes:
 - Bill of Quantities.
 - Volume 4 includes:
 - Shaking Book.
- Information and documents required to be submitted together with the bids:
 - Particulars about the financial capability of the bidding firm (its capital, available credits, and supporting letters from banks dealing with them, etc.).
 - Particulars about the technical competence of the bidding firm to carry out the works subject of this tender.
 - Number, qualifications and previous experience of the technical staff to be entrusted with the execution of the project.
 - Number, type, and specifications of the various equipment, machinery and means of transport to be used in the execution of the works.
 - Explanatory note about the method to be adopted in executing the various phases of the required works, with a suggested time-table for the execution of each.
 - A certified list of similar projects already executed by the bidding firm, with confirming letters from the owners of the executed projects, testifying that all obligations and works have been fulfilled satisfactorily.
- All offers and documents shall be submitted in one of either of two languages, Arabic or English.
- The tender shall be accompanied with a provisional deposit equal to two hundred Syrian Pounds. The deposit shall be either in the form of cash deposit or a letter of guarantee from a Syrian Bank or foreign bank approved by the Central Bank of Syria and accepted by the Administration.
- Execution period for the works subject of this tender shall be 14/ fourteen months, from the date of issuing the order to start work.
- The Administration is not bound to accept any or the least price offer.
- The tenderer should belong to a country member of International Bank for Reconstruction and Development (I.B.R.D.).
- The date of 18th Dec. 1980 at 2 p.m. is the dead line to receive tenders at the Ministry of the Euphrates Dam, Malki St., Damascus Syrian Arab Republic.
- Validity of tender shall be for 14/ four months as from the last date for receiving the tenders.
- Final Deposit Guarantee: 5% five percent of the total value of the Contract.
- Amount of Liquidated damages for delay shall be 0.01% one thousandth for every day of delay but not to exceed 20% twenty percent of the contract's total value.

Minister of the Euphrates Dam
D.ENG. YAHIA AL-KHAYER

For further details contact:
Web 5043
AUSTRIA: Vienna 648.92.49
BELGIUM: Brussels 572.11.13
FRANCE: Paris 572.11.13
GERMANY: Munich 648.92.49
LUXEMBOURG: Luxembourg 648.92.49
NETHERLANDS: The Hague 648.92.49
SWITZERLAND: Zurich 202.11.44
UNITED KINGDOM: Hatfield 603221

Stock Rally Sured by Optimism

Continued from Page 15

— stock prices skyrocketed, with interest rates rising again, although nowhere as high as in the spring peaks, the rally in prices has ended — only, if the experts are to be believed.

Investors have got to find other ways to invest in stocks. Those are there, and investors are there, but the market is not there now," Mr. Siegel said.

Inflation Benchmark — economy is stronger. The stronger economy is the admitted high 9 or 10 percent, but even a 10 percent rate, as long as it is provided a benchmark off 6 to 8 percent.

Investments — the next three months, "I advised," buy the stocks they want to buy.

Real estate — the next three months, "I advised," buy the stocks they want to buy.

Real estate — the next three months, "I advised," buy the stocks they want to buy.

European Gold Markets

September 23, 1980

London (245 kbs) — Gold prices rose in London and Paris, opening and closing prices for September 23, 1980.

U.S. dollars per ounce.

	23 Sept. 1980	22 Sept. 1980	21 Sept. 1980
London	320.25	319.75	319.25
Paris	320.25	319.75	319.25

Gold Options (prices in \$/oz.)

	23 Sept. 1980	22 Sept. 1980	21 Sept. 1980
70	320.25	319.75	319.25
75	320.25	319.75	319.25
80	320.25	319.75	319.25

Valuers World Wide S.A.
1, Quai de Mont-Blanc
1211 Geneva 1, Switzerland
Tel. 31 82 51 - Telex 28 365

INTERNATIONAL BIDDING

S/A Industries Zillo, foreseeing the implementation of an industrial unit located in Ourinhos, State of Sao Paulo, is interested in acquiring machines and equipment for the production of vegetable oils. The purpose of this communication is to invite interested parties to present their written proposal to the following address: Rua Boa Vista, 63 - 11 Andor, Sao Paulo - SP Brazil - CEP 01014.

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	23 Sept. 1980	22 Sept. 1980	21 Sept. 1980
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1,000,000 Shares

Republic New York Corporation

\$3.125 Cumulative Preferred Stock (without par value)

Salomon Brothers

Merrill Lynch White Weld Capital Markets Group

Morgan Stanley & Co.

Bache Halsey Stuart Shields

Donaldson, Lufkin & Jenrette

E. F. Hutton & Company Inc.

Lazard Freres & Co.

M. A. Schapiro & Co., Inc.

Warburg Paribas Becker

ABD Securities Corporation

Basie Securities Corporation

A. G. Edwards & Sons, Inc.

EuroPartners Securities Corporation

Ladenburg, Thalmann & Co. Inc.

Neuberger & Berman

The Nikko Securities Co.

Oppenheimer & Co., Inc.

Tucker, Anthony & R. L. Day, Inc.

New Japan Securities International Inc.

Sanyo Securities America Inc.

Bear, Stearns & Co.

Dillon, Read & Co. Inc.

Goldman, Sachs & Co.

Kidder, Peabody & Co.

L. F. Rothschild, Unterberg, Towbin

Smith Barney, Harris Upham & Co.

Dean Witter Reynolds Inc.

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Daiwa Securities America Inc.

F. Eberstadt & Co., Inc.

Robert Fleming

Moseley, Hallgarten, Estabrook & Weeden Inc.

New Court Securities Corporation

Nomura Securities International, Inc.

Thomson McKinnon Securities Inc.

Yamaichi International (America), Inc.

Nippon Kangyo Kakumaru International, Inc.

PEOPLE: *John Lennon Spills On 'Palace' Life of*

Depression

have hit the Kremlin. They've probably funded up every scientist to Minin, Pionov and Smolensk to come up with an answer to it."

* * *

"What happens when the Soviets discover we have no intention of building an invisible bomber?"

"That's the Pentagon's job. It's a story that they are going to build an invisible submarine instead. The Soviets will have to scrap all their electronic defenses for the bomber, and start all over again trying to figure out how to spot an invisible submarine."

"It makes a lot of sense, particularly since it won't cost any money. But won't the Soviets wise up eventually and be suspicious of the Pentagon leak?"

"Exactly. At some point, the Russian military intelligence, which was burned by so many U.S. defense leaks, will start to ignore them. That's when our military boys make their move. They will leak that they have decided to build an invisible aircraft carrier.

disinformation being put out by our side, and will do nothing about it. But this time we'll go ahead with the plans, and the Communies will have to live with the consequences of invisible aircraft carriers off their shores."

"If they're invisible how will they see them?"

"Because we'll deny they are there. The fact that they can't see them will put the fear of God into the Russians, and will bring them to their senses."

* * *

"Why can't the Soviets do the same thing to us?"

"Do what?"

"Leak a story that they're going to build an invisible bomber, and have us spend billions of dollars to build a system to stop it."

"That's been done it. That's where the Pentagon got the idea in the first place."

"One last question," I said. "How do I know that you're not leaking this story to me because we really intend to go ahead with the Stealth bomber, and we want the Soviets to believe we're not?"

He replied, smiling, "That's for me to know, and for you and the Soviets to find out."

Maggie Scarf, Who Says She Has Never Been Clinically Depressed, Looks Into Why It Affects Women More Than Men

"I just thought it was kind of cuckoo," Scarf, a 48-year-old science and medical writer from Hamden, Conn., said in a *Manhattan* interview recently. "Forty million people in this country have depressive symptoms, and two-thirds of them are women. It's as if women had more flu or appendicitis than men. It just didn't make sense."

After interviewing more than 150 depressed women and observing others who came for treatment at some of the nation's leading psychiatric clinics, Scarf developed a theory as to why women are depressed: Emotional attachments are much more important to women than to men, and women find the idea of ending a relationship—even a very bad relationship—a to be "monstrous."

"They think, 'Who or what would I be if I were alone? They feel horrified at the thought of being alone. Sometimes they would rather commit suicide than be alone.'"

Earth-Mother

Scarf, a slim, dark-haired woman with an easy smile and a friendly, earth-mother manner, develops her theory in her book, "Unfinished Business: Pressure Points in the Lives of Women" (Doubleday). The book's dedication reads, "To my very dear friend," to Norma Brustein, the wife of Robert Brustein, former head of the Yale Drama School.

"She was my closest friend," Scarf said. "We'd check in with each other every morning. She died last year of a heart attack at the age of 50, and she suffered from periodic depressions. She inspired me to continue the book, because she said it was important for women."

Scarf said that as she did her research, she found that a woman's depression often had to do with what stage she was in in her life. So she decided to examine six decades of a woman's life, with case studies from each of

The early 30s is when you get the biggest bulge in depression among women. That's where most marriages tend to break up, and it's a time for confronting what one has done in the 20s. A lot of depression in the 30s comes from feeling trapped in a relationship, or being in a relationship that's souring. A woman begins to feel, "I was cheated; I thought I was going to live happily ever after."

In the 40s, Scarf said, much depression is

A high-contrast, black and white portrait of a woman, likely a religious figure, wearing a head covering and a garment with a bow at the shoulder. Her hands are clasped in front of her chest. The image is heavily stylized with high contrast, giving it a graphic, almost woodcut-like appearance. The woman has a somber expression, looking slightly downward. Her hair is covered by a dark headscarf or veil with a decorative band. She wears a light-colored garment with a prominent bow on the right shoulder. Her hands are clasped together in front of her chest, with fingers interlaced. The background is plain white, making the dark figure stand out.

caused by what a woman wasn't able to do. "You see this in women who haven't been able to stand up any viable career, so they get a feeling they can't be Gloria Steinem." She added that the idea that being a wife and mother is not valued these days also causes an "upsurge of identity issues."

In the 50s, she said, depression is often caused by the loss of identity a woman feels after her children leave home, and by a loss of attractiveness, due to a man's aging. She said, "I've seen a lot of women in interviews. Doris, who is stuck in her identity in her 50s, looked into her mirror and saw her chin was sagging. She said, 'Oh, no, now my Prince Charming will never come.'"

In the 60s and 70s, she said, depression among women is usually tied to widowhood and aloneness. "Some people can't accept that they're near death," she said, "and they keep repeating the same issues over and over again."

In one controversial area of her book, Scarf declares that menopause is far more an

emotional than a hormonal issue, and she is critical of estrogen replacement therapy as a method of treating depressed women in menopause.

"There is simply no scientific evidence supporting the notion that the hormonal decline of the middle years causes the depressions of menopause," she said. "There's far more depression in the early 30s than there is between 45 and 55, the target age for menopause. It's just nothing special about that decade; the fact that a woman may be depressed and that she may be going through menopause at the same time are probably unrelated to one another."

said she thought that the key issue for young women and depression was that they have to learn to live alone, understand what a depression is, and know what to do about it.

Among the symptoms of depression, she said, are difficulty in falling asleep, early morning awakening, changes in appetite, loss of energy, loss of interest in sex or hypersexuality, feelings of helplessness and hopelessness, suicidal thoughts, feelings of inferiority, difficulty in remembering, difficulty in making decisions, and the loss of pleasure in life.

man who feels depressed should go to a doctor, Scarf said, adding: "But if she is a general practitioner and he identifies depression, she should ask for a referral to someone sophisticated in treating depression." General practitioners are just not trained in treating depression."

was generally optimistic about the depression is being treated these days. "It is a superb drug treatment, using such anti-depressants as Elavil and Tofranil," she said. "But not Valium — Valium is for depression." She added that the success of any depressive episode being cured was 95 percent.

Background

was a pre-med student at Temple University 27 years ago when she married Dr. John S. Scarl, now Sterling professor of ecology at Yale University. They have three sons: Martha, 26, a Manhattan lawyer; John Stone, 24, who is finishing her work in psychology at Yale; and Susan, a senior sociology student at Cornell.

Her articles on medical and scientific topics have appeared in many magazines. She won a Nieman Fellowship in journalism in 1975-76 to study at Harvard, and a Patterson Foundation grant to write "Unfinished Business." She is curating writings at Yale.

he ever had problems with her husband's growing career? "As the spotlight has focused on me, we've talked about it," she said evenly. "But good, solid touch. At times I feel like I'm taking up all the air or all the spotlight, but my husband is incredibly supportive. Besides, he likes high-stepping."

John Lennon said in a magazine interview that his political radicalism in the early 1970s was "temporary," he hasn't really talked to Paul McCartney in 10 years and there is no chance the Beatles will reunite. Lennon said he wanted to quit the Beatles as early as 1966, but lacked the courage to do it. The Beatles played their last show, the Beatles stopped touring and couldn't deal with not being on-stage," he told Newsweek magazine. "But I was too frightened to step out of the palace. That's what killed [rock star Elvis] Presley. The king is always killed by his courtiers. He is never allowed overindulged, overindulged to the point where he kills himself. He killed his throne." He credits his wife, Yoko Ono, for saving him. "Yoko showed me what it was to be Elvis Beate and to be surrounded by sycophant slaves only interested in keeping the situation as it was—a kind of death." Lennon said he has never seen McCartney since he disappeared from public life in 1975 caring for his son, Sean, and

demure white smocks and sheaths and sequined by Woody Allen, with "cutting" as a electric "cutting" as a "psychic," and 17 "Different Strokes" star man, who has the style but hasn't lost a sense of funk." Among the women Princess Anne, who she to the palace with a \$200,000 allowance. Chicago Mayor Jane B. "just dull" despite a "and Sammy Davis Jr., weighted down with chains and bracelets, at the magazine... The big taste" of Egyptian and American and Carter's campaign man. Strauss landed them on best-dressed men of 1990 to the Men's Fashion America. Others on the actors Forrest Tucker, MacInnis, Ivy Knapton and

serving as a househusband. He said his political radicalism of the early 1970s was the product of guilt. "It was phony, really," he said. "I'd always felt guilty that I made money, so I had to give it away or lose it."

Kylene Barker, Miss America of 1979, and her husband have been sued for failing to pay \$12,000 still owed for their wedding at Colonial Williamsburg. The Colonial Williamsburg Foundation charged that Miss Barker and her husband, James Brandon, owed \$6,277 for hours d'oeuvre, \$1.68 in sales tax for flowers and a \$1,993 tip, among other items. Randall Foskey, a spokesman for the foundation, said that the couple had paid only \$2,739 toward the total cost of the wedding last Oct. 30. Miss Barker, the first Virginian to become Miss America, is now a \$20,000 schoolteacher and carver in

A prince from the domain of Saudi Arabia, of a "old nut," is remodeling a mansion he purchased from the heart of Colonial Williamsburg. Architect Russell Peck, Prince Bandar of Bahrain, five sons of the late Saudi King Faisal and nephew present King Khalid, owns Wingless Ranch last fall for \$1 million. When renovating completed, around Christmas, the 100,000-sq-ft house will include an outdoor swimming pool, five bedrooms, a stable and guest house. The ranch also stable and guest house said he was hired to design to improve the ranch was fired when the p another architect who for a smaller fee.

for personal appearances during her reign. She currently operates a dress shop in Palm Beach, Fla.

Ronald Reagan beats Jimmy Carter, outclassing the president with "beige Palm Beach suits, boundstooth jackets and jeans worn with cowboy boots." And the president's right-hand man, **Hamilton Jordan**, also got a dressing down from *People* magazine, which published its first (and worst-) dressed list today. Among the best: **Jacqueline Besset**, who

The recipients of the **Neddy Center Honors 'a talkin'...** movie actor stage actress, a "re choreographer, a well-poser and an opera achieved "super-stard performance at the **Joh dy Center for the Perf** on Dec 7 will honor- **ney, Lynn Fontanne, Mille, Leonard Ber-** **Leontyne Price** for th- **iments in the perform**

SAMUEL

CLASSIFIED ADVERTISEMENTS

[illegible]